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**THE SOCIETY FOR INTERNATIONAL DEVELOPMENT** is an international, nonprofit, educational and scientific organization founded 19 October 1957 and incorporated in the District of Columbia, USA.

Its purpose: to provide means for and stimulate exchange of ideas, facts, and experience in the pioneering field of international development, now global in scope and fundamental, at this juncture in history, to progress and peace.

The membership of the society consists in the main of persons engaged in or associated with programs of international development—administrators, economists, engineers, educators, health officers, lawyers, technicians, and others. They include many nationalities and professions and work in many kinds of organizations, public and private, national and international, in more than 70 countries. The membership likewise includes persons who are seriously interested, though not currently participating, in development programs. Organizations also may join SID as institutional members, with all membership privileges except the right to vote.

Currently SID uses three principal means to advance and circulate knowledge and generate ideas in its very diverse fields of interest: the publication of a professional journal, the *International Development Review*; the annual membership meetings, each an international forum dealing with a particular cluster of important problems; and chapter activities, developed by local groups of members to suit their own professional bent and the special situation and needs in the area or country where they work.

The Society for International Development welcomes the expression of divergent and even contradictory views in the *International Development Review*, believing that this best serves the needs of its members. The fact that an article appears in the *Review* does not mean that it represents the views of the society, nor does the society accept responsibility for the views expressed in any article, signed or unsigned.

Articles, notices, announcements, news items, and other material submitted to the *International Development Review* should be typewritten, double spaced, and addressed to the Editor. Return postage (US stamps) should be included if the material is to be returned and if it was mailed with US postage originally. The *Review* is not yet financially able to pay for articles or other material. Because of staff limitations, it would be advisable to write the Editor in advance before submitting an article, to determine whether the *Review* would be interested in seeing it.

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# INTERNATIONAL DEVELOPMENT REVIEW

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## This 7th Issue...

... IS THE SMALLEST (32 pages plus 4 cover pages) that we have published so far; previous issues have run from 44 to 68 pages. In the past, however, publication of the *Review* has been irregular, depending on the availability of funds for printing—a penalty of bootstrap operations such as *sid*, which hitherto has had no substantial support from foundations or other sources but must depend entirely on membership payments. (We say *hitherto* because, as reported in our last issue, we do now have a grant of \$10,000 from RFF, Resources for the Future, to provide badly needed part-time office help for two years for the executive secretary.) With the smaller size, we expect to be able from now on to publish four issues of the *Review* a year, at quarterly intervals; but there will be no upward flexibility in number of pages to accommodate editorial need unless the financial situation should miraculously improve.

The fourth 1961 issue, due at the end of the year, will be an organizational one largely preempted by an up-to-date directory, now grown to considerable volume because of the steady increase in membership, currently nearing 2000. In the case of so far-flung an organization as *sid*, periodic publication of a directory showing who-is-where-and-what is an especially useful and necessary service. How far-flung *sid* is becoming is evident from the chapter news in this issue, particularly Marion Clawson's report on the new Geneva chapter. Clawson, incidentally, is on a mission to India for RFF and will circle the globe before returning to Washington. Fortunately he is able to tuck some *sid* business into the interstices of the long journey.

WHEN THE NEED to squeeze the current issue into minimal space suddenly confronted the editor, it necessitated a drastic change in plans. We had what we regarded as a rather rich supply of material on hand, derived partly from the conference last April, partly from *sid* chapters, partly from articles submitted in generous response to our appeals in the *Review*. What to leave in, what to take out? The operation was not so simple as shortening a dog's tail; this one was to shorten the dog. (Try it sometime if you haven't already.) We were in a quandary, not to say a stew. Whatever the decisions, they were bound to make quite a number of people, including the editor, very unhappy.

On recovering a measure of equanimity, which took a little time and required blowing off steam, we ended by

using some conference, some chapter, and some contributed material, leaving out a great deal that had already been carefully edited. (Also missing are Letters, Notices, and Chronology, the last because the author, Dr. Abraham Hirsch, has gone to Ceylon with a US-AID mission.) The choices were difficult. Don't ask us to justify them. Putting together bits from here and bits from there to fashion something that is a meaningful organic (dare we say artistic?) whole, endowed with life of its own (or that seems such a whole to the editor; and this is the reward of his work), depends on a sixth sense (or is it only accumulated experience?) that doubtless can be analyzed, but we would rather not try.

Obviously, one thing the *Review* needs, and does not expect to get, is some sort of endowment that would sanforize it against shrinkage.

A painful corollary of the present unanticipated abbreviation is that we must now, and do hereby, proffer profound regrets to all of you, including 29 conference panelists and speakers, who endured auctorial travail—severe, as we know, in some cases, and time-consuming—expecting to see your offspring in these pages, and won't. C'est la guerre, or that's life. We hope it will not turn you permanently against us.

THIS IS AN ANNIVERSARY. *sid* was founded in 1957, October 19. Four years ago it was hardly more conspicuous than a newly fertilized ovum. Now it has grown into a sturdy youngster.

Now, in Bombay and Madras and Karachi and Manila and Ankara and Khartoum and Geneva and Ann Arbor and New York and Washington, professional people meet under the aegis of *sid* in large gatherings and small study groups and committees, to talk shop, the shop being the world; to exchange ideas and information about international development; to probe its myriad problems.

Hundreds of other persons, widely dispersed in some 70 countries—doctors, engineers, teachers, economists, big and little officials, experts in many branches of knowledge and fields of practice—feel that their membership in *sid* has not only practical value but also the less tangible value of establishing a professional consanguinity that mitigates isolation.

Here and there, throughout the Americas, Europe, Asia, and Africa, the *International Development Review* wanders into offices and libraries and laboratories and



homes and hotels and boarding-houses; and in its contents a few thousand people find something to their liking, something that informs, illuminates, encourages, stimulates, inspires, according to the individual's need and bent.

The famous and the unknown, new-fledged chicks from academic incubators and battle-scarred fighting-cocks, alike have their say in the *Review*. It welcomes alike abstract theory and the details of field experience, shiny new proposals and critical accounts of current practice, the sweeping panoramic view and the magnified close-up, the enthusiasm or indignation of youth and the tempered judgment of experience; and likewise any science or art that has a significant part to play in international development.

For the present at least this is the way we want the *Review* to be. It is the most unspecialized of specialized journals because we believe that in international development at its present stage there is a special place for exploratory catholicity and the dynamic interplay of many disciplines and viewpoints. Later, perhaps, we might

concentrate on a narrower field, as do most of our esteemed contemporaries.

SOMETIMES WE WONDER whether any of this is worth while, especially when events of such far-reaching import as the Berlin crisis and the death of Dag Hammarskjöld expose problems that seem to deserve the total attention of everyone, as each bird attends when the hawk's shadow drifts ominously over. Then we think of what Galileo is apocryphally reputed to have said, in a very different context—"Eppur si muove." The world does move nevertheless, and it takes work to keep it moving. There will be breakfast tomorrow unless The Catastrophe overtakes us tonight. Someone had better know how to cook eggs and make coffee and be up in time to do it just in case The Catastrophe doesn't happen.

International development is a profession that attracts knowers and doers and early risers of the kind needed to keep the world moving in this long period of crisis and strain. ☼

## HENS THAT LAID GOLDEN EGGS

WILLIAM C. SMITH

MARGARET MEAD has remarked that in technical aid programs and in administration among newly emerging peoples, the anthropologist has become the symbol of conservatism and pessimism, "the specialist who states that most changes seen as desirable by the technician, the economist, or the administrator, will be very difficult, practically impossible, or, if practicable, destructive." [1956:98]. The reason is not far to seek: the literature on applied anthropology overflows with accounts of unsuccessful programs of directed culture change.

In this paper we are concerned with the circumstances of a successful technical aid project, analyzing the reasons for success and assessing the consequence of change.

Since 1952 Unesco's CREFAL (Centro Regional de Educación Fundamental para la América Latina) has carried out community development work in 21 Tarascan Indian and mestizo villages in the Lake Pátzcuaro area, 250 miles west of Mexico City. Students come from most Latin American countries to receive 18 months' training, which includes participation in the planning and execution of development programs. One aspect of this work has been the attempted introduction of small-scale commercial chicken farming. In the small Lake Pátzcuaro island community of La Pacanda, this program has been remarkably successful, while in most near-by villages it has met with only slight enthusiasm. The people of La Pacanda have learned that chickens indeed "lay golden eggs."

When students and technicians from CREFAL first came to La Pacanda, they found a small Indian community of fishermen and farmers who met their overtures with polite suspicion and silent uncertainty. During the following two years various groups of workers from CREFAL continued to visit the island, trying to gain the confidence of the local people and, with little success, to arouse

interest in programs of home improvement, public health, and chicken farming.

Then in 1954 three men agreed to accept 25 pullets each, to be raised according to CREFAL's instructions. When the chickens started laying, CREFAL arranged to pick up the eggs and market them, crediting the income against the cost of production and providing a small profit for the farmers. The following year these three men were sufficiently pleased with the results to accept loans covering the purchase of equipment and the building of chicken houses, and each received from CREFAL about 135 pullets. Veterinarian care, weekly allowances of feed, and financial and technical supervision were also provided. In 1956 two more La Pacanda men arranged loans, built chicken houses, and so became involved in CREFAL's program. The next year seven more loans were set up; in 1958 the number jumped by twelve and in 1960 by twelve more. Now more than half of the 65 families in La Pacanda are raising chickens under CREFAL's program, and many more have applied for loans.

Acceptance of such a loan is regarded by the farmer and his family as a major commitment; success in chicken farming has come to be regarded as a major achievement. CREFAL's administrators and technicians consider La Pacanda to be their most successful experiment in community development, and changes taking place in La Pacanda are noted and commented upon by local people throughout the Pátzcuaro area.

WHY HAVE THE PEOPLE of La Pacanda responded so enthusiastically to CREFAL's chicken farming program? Before attempting to answer this question we must briefly consider certain ecological, social, and economic characteristics of La Pacanda's traditional culture.

To begin with, the geographical fact that La Pacanda is an island community is important; the area of land available for cultivation is severely limited, while in the sur-



3 rounding lake several species of fish abound. La Pacanda's agricultural productive capacity is so limited that under optimum conditions only enough maize can be grown to meet about one-third of the annual requirement of the population. This means that twice as much maize must be imported as is produced by the community. Similar conditions often prevail in Mexican peasant communities, and agriculture frequently is supplemented by herding of livestock or by craft specialization such as the production of pottery, woolen materials, hats, or furniture. But the island of La Pacanda lacks the natural resources required for such craft production and has far too little area for the commercial raising of livestock. Fishing, in short, is the primary response of the people of La Pacanda to their ecological demographic situation.

The fishing technology of the Pátzcuaro area involves use of two main types of nets and of flat-bottom dugout canoes of several sizes [Foster 1948:101-112; West 1948: 52-55]. Small fish are taken in a fine-mesh gill net, which is staked out along the shore and can be tended by one man or by his wife and children. Use of this technique is limited to certain months of the year and often results in a very small catch. Larger fish are taken in mid-lake or in weed beds along the shore with a large seine operated by four persons, usually adult men, working in one canoe. Frequently these four are related, consanguinally or affinally (by marriage), in which case the catch may be divided equally. More often the owner of a canoe and seine hires other men to help him, paying them a wage or a share of the catch. The slight income that fishing provides is indicated by the fact that a man who owns his own canoe and fishes with his own sons can just manage financially when fishing is good. When it is poor, there is no margin of profit; often there is no income above what is urgently needed for food. The traditional economy of fishing and farming reflects a delicate balance between technology, population, and conditions of the natural environment. Even a small change in either of the latter factors could be expected to upset the balance, which, once disturbed, could be reestablished only by population reduction or by modification of technology and economic organization.

Lake Pátzcuaro has subsurface outlets, and its level fluctuates somewhat independently of the annual amount of rainfall. For many years the surface level of the lake fell steadily, and as this happened fishing declined. Early in the 1950's, with the possibilities of farming and craft specialization so limited, it became apparent to the islanders that something must be done. Some of the men went away in search of jobs, but most were reluctant to do

so. When CREFAL tried to initiate its chicken farming program, the island people responded with uncertainty and distrust; but finally, in 1954, the first three men agreed somewhat desperately to take part in the program on a trial basis. Thus in the initial acceptance of the proposed economic change, one of the principal motivational factors was the recognition by these individuals that something was needed to supplement the traditional fishing-farming economy.

WHAT WERE THE PERSONAL CHARACTERISTICS of these first three chicken farmers? What life experiences had they had that led them to see in CREFAL's proposed innovation a possible solution to their problems? Full answers to these questions would require psychological data not yet available; but much is suggested by the economic and social positions they held in the community.

When CREFAL's technicians first came to La Pacanda, Eduardo was one of the community's most influential members. He was wealthy, by local standards; he had successfully held the offices of jefe de tenencia (the chief political position) and secretario (secretary), both of which demand above-average education and tact; and as carguero (the local term for a religious mayordomo) he had fulfilled important ritual obligations by helping to organize and financially support community religious activities. Having worked for several months as a bracero (seasonal farm laborer) in the western United States, Eduardo also enjoyed a reputation for sophistication in dealing with outsiders.

Unlike Eduardo, both Roberto and Pepe were poor, uninfluential men; they owned no property, had held no community offices, and had made no outstanding contributions to local religious life. But like Eduardo, they both had the prestige that comes from successful contact with the outside world. Pepe had worked in the United States of America as a bracero; he spoke superior Spanish, and by local standards was well read. Roberto, with the assistance of a former schoolmaster, had attended an agricultural school in Morelia, the state capital, for a year; later he had served for three years in the Mexican national army, during which he was away from the village almost continuously.

Thus of these first innovators, only one had the traditional type of prestige that is based on comparative wealth and successful participation in local religious and political activities. But all three had the prestige that comes from a reputation for successful dealings with outsiders. They had traveled and worked away from La Pacanda, and because of this their opinions about the outside world carried more than average weight with their neighbors. When they decided to have a go at CREFAL's chicken farming scheme, they were putting at stake their reputations for superior sophistication. While the first two years of the program did not bring notable financial success, neither did they bring failure; and because of this the sound judgment of the first three innovators was confirmed in the eyes of their neighbors. Several more young men became interested in the program, not only because of the possible financial return but also because of the prestige that they now saw could be gained through association with CREFAL.

CREFAL representatives, in turn, recognized the possibility of making La Pacanda a showcase in community development. More and more time went into the details of planning for an expansion of the program, and technical experts visited the island several times a week. Thus

**AUTHOR'S NOTE:** The fieldwork for this report was carried out during the summers of 1959 and 1960 under the direction of Professor George M. Foster (Department of Anthropology, University of California), as part of a four-year program supported by a National Science Foundation grant dealing with the comparative study of culture change in several Mexican communities. My expenses were partially covered by a National Institute of Mental Health supplementary grant, and as Professor Foster's research assistant, I received additional funds from the University of California Research Committee.

One of the most pleasurable aspects of fieldwork in the Pátzcuaro area was the opportunity for association with the staff and students of CREFAL. I am particularly indebted to Professor Lucas Ortiz, Director of CREFAL, Dr. Anibal Buitrón, Assistant Director, and Dr. Gabriel Ospina, Director of Research, whose encouragement and generous assistance made this study possible.

Names of persons in the report are fictitious.

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4 there was a degree of supervision and help frequently lacking in developmental programs. No chicken farmer went for long with an unanswered question; the teachers were there almost constantly to show the way. This meant that from the standpoint of the islanders, opportunities for learning were optimum. Constant supervision and technical aid, instead of a few lectures and an occasional demonstration, were very important factors in the acceptance of chicken farming.

THE IMPORTANCE OF SUPERVISED CREDIT, made available through the Banco Nacional de Comercio Exterior de México and administered by CREFAL, can hardly be overestimated [Buitrón 1961:148]. The villager was required to invest his time and labor in the construction of a suitable chicken house and in care of his flock, but loans were extended to cover all costs of materials, equipment, pullets, feed, and veterinary care. Without such financial support, no one in La Pacanda could have participated in the program. Wise management of each chicken farmer's account has helped to assure the prompt repayment of loans and the re-investment of profit.

Moreover, the program, as designed by CREFAL specialists, fitted well with traditional economic and social patterns. As in other parts of rural Mexico, the bilateral nuclear family is the basic social and economic unit, and broad cooperative mechanisms are minimal. Land is owned by individuals, the single farmer tends his fields, and most fishing is carried out by a small entrepreneur or a small family group. Recognizing this fact, CREFAL's specialists made no attempt to sell chicken raising as a cooperative village enterprise. They dealt with individuals as heads of households, as independent economic units. Loans were made to individuals, instruction was given to individuals, chicken houses were constructed by individuals, and the care of each flock was entrusted to a nuclear family. Each participant was given a separate credit account at CREFAL. All this meant that innovation could be decided by single persons; group decisions, always hard to achieve in Mexico, were of no importance. Had CREFAL attempted to sell chicken farming as a cooperative enterprise, failure probably would have ensued.

CREFAL's program was also well designed in that it did not conflict with the traditional division of labor in fishing and farming. In these activities by far the largest share of work is done by men, who would find it hard to accept an increased work load. By contrast, women and girls make little direct contribution to this work. But the requirements of chicken raising are such that they can do many of the chores, thus substantially increasing their economic contribution and raising the total productive potential of the family.

By 1958 the increased economic potential of the family that added chicken raising to the traditional activities of fishing and farming was clearly demonstrated. Those well established in the program had succeeded in repaying their initial loans, enlarging their chicken houses, and buying new supplies of chicken feed and medicine. They began to improve their homes by cementing the floors, whitewashing the walls, and building larger, cleaner kitchens. Now almost all families wanted aid; during the next two years CREFAL tripled the number of chicken houses in La Pacanda and received applications for still more.

In the beginning, the success of CREFAL's chicken farming program was due to the fact that three La Pacanda men saw in it a possible solution to their precarious

5 economic and ecological situation. Once initiated, the program expanded because it was well designed and had adequate economic and technological support from CREFAL, because it was initially accepted by men of prestige in the community and was subsequently seen by others as a means of achieving higher status, and because its economic advantages finally became apparent to all.

WE CAN NOW TURN to a corollary question: what will the economic and social consequences of this program be for the people of La Pacanda? An innovation of this magnitude, accepted by so many people, is certain to restructure traditional culture in many ways. Some of the results—a majority, we hope—will be beneficial, but it is likely that some disruption and disorganization will occur as the traditional positions of people are altered by newly acquired wealth and prestige.

In a general way these consequences can be forecast without much difficulty:

With increasing dependence upon chicken raising as an adjunct to the traditional practices of fishing and farming, there is certain to come increasing involvement in the regional and national economic systems of Mexico. Eggs produced in La Pacanda are marketed in Mexico City; thus the islanders are entering the national market on a scale heretofore undreamed of. This offers real advantages, but it also holds dangers; to a far greater extent than before families will be at the mercy of shifting prices, which go down as well as up. Greater participation in national life also seems inevitable because La Pacandans now make use of credit, are learning about interest and bank accounts, and are developing a series of commercial contacts they previously did not need. Their aspirations are rising, and ultimately they may seek to gratify them through increased political activity.

Traditional economic and social differences on the island have been slight. But with increased financial opportunities some families will be more successful than others, and increased wealth differences probably will lead to increased social differences. With modification of traditional forms of social interaction there will probably be changes in the value orientations in terms of which interaction is validated, and of the ceremonial behavior through which value orientation is expressed.

MORE CONCRETELY, some of the consequences of change can be seen by considering briefly what chicken farming has meant to the three individuals who first accepted the innovation.

Eduardo, it will be remembered, was a man of comparative wealth, with the prestige of successful participation in local religious and political life. Through CREFAL's chicken farming program, he increased his economic advantage and his reputation for sophistication in dealing with outsiders. In the community's relationship to CREFAL he saw further opportunity for personal aggrandizement. He participated as a free agent, not as a community leader. When CREFAL instituted a cooperative store, Eduardo became its clerk and proceeded to use its stock and its finances for his own purposes. When CREFAL helped to provide a motor launch for community use, Eduardo became launch-driver and used the launch for personal transportation. Community resentment grew; finally, at the village's annual election, Eduardo was removed from his positions of authority. Now he takes no part in the religious fiesta cycle nor holds political office. With increas-

ing isolation from community life have come increasing alienation from community goals and values and increasing orientation to the outside world. Eduardo seeks more and more to identify himself with prestigious outsiders; and his neighbors say that it would be better were he to leave La Pacanda and go elsewhere to live.

Both Roberto and Pepe, on the other hand, were lacking in wealth and influence.

By taking part successfully in the chicken farming program, Roberto gained a leading role in representing the community to CREFAL. His superior education and experience outside the village prepared him for such a role; and he succeeded in validating his new position by appropriate participation in religious activities and by service in the offices of jefe and secretario. But as his prominence in community affairs increased, his responsibilities increased as well. CREFAL's technicians relied upon him more and more as their main go-between in La Pacanda. His relatives began to expect him to use his influence with CREFAL to gain special favors for them; and as the productive possibilities of chicken farming became apparent, they demanded from him increased financial support in family crises. When, in 1959 and 1960, CREFAL tripled its activities in La Pacanda, Roberto's commitments to both the community and CREFAL increased until he had little time for his personal affairs. He now had acquired land but could not farm it; nor was he able to continue fishing. When CREFAL offered to pay him a substantial wage for coming to live at its headquarters and learn some of the finer points of chicken raising, he accepted eagerly. Closer association with CREFAL has increased his prestige in La Pacanda still further but may eventually result in alienating him from the values of local community life.

Pepe's initial gains were primarily economic; with the income from chicken farming he built new henhouses and bought more pullets; obtaining additional loans from CREFAL, he continued to increase his flocks. He invested in a corn-grinding machine with a gasoline engine, and from the service thus performed for village women he realizes a small but steady profit. He became a small-scale entrepreneur, purchasing fish at wholesale prices on the island and reselling them in near-by market towns. He bought new fishing equipment and built a new house for his family. Economic success opened new opportunities for participation in local civic and religious activities. He successively held the offices of secretario, jefe, and carguero, and he continues to take a leading role in sacred and secular affairs. He helped obtain the loans that paid for La Pacanda's cooperatively owned motor launch, and now he is working for a second launch and is exploring the possibility of obtaining electrical power for the island. He hopes to better the education of children in La Pacanda, and insists that Tarascan-speaking islanders must improve their command of Spanish if they are to deal effectively with outsiders. He is committed to these and other progressive ventures, and upon their success his own prestige will continue to depend.

THE ROLES through which the local peasant community is related to the larger society of which it forms a part are always of crucial importance. Januslike, the incumbent of such a role faces in two directions, toward the community and toward the outside world [compare Redfield 1956:43-44; Pitt-Rivers 1954:32-33; Wolf 1956:1075]; his performance is probably never entirely free from strain

and uncertainty. As conditions change and relationships to the outside world are altered, the individuals occupying such positions are among the first to be affected. If relationships alter rapidly or drastically, these persons may be faced with a painful dilemma. Should they maintain their roles as institutionally defined or modify them in order to deal with changing conditions? If they choose the latter alternative, they may be accused of violating tradition; if they choose the former, they run the risk of demonstrating their incompetence. In either case they may lose the prestige they have already gained or hoped to gain through successful role-performance. Often they choose not to act at all; or else, renouncing their community responsibility, they may seek their own personal advantage, their own security and prestige, in manipulation of changing circumstances. Eduardo chose the latter course, but the community rejected his bid for power without responsibility.

In the situation where established community leaders choose not to act, a further ambiguity arises. Individuals may appear who lack wealth and the influence of traditional leadership roles, but who have prestige based upon a reputation for worldliness and sophistication through prior successful dealings with outsiders. Such individuals, like Pepe and Roberto, may temporarily supplant traditional leaders as mediators between community and larger society, and so introduce and facilitate the acceptance of innovations consonant with the new relations to the outside world. In doing so, they stand to gain in influence. But to maintain this newfound status, they frequently must validate it by appropriation of traditional leadership roles and by ceremonial behavior in terms of traditional values. Committed to both the traditional roles that they have taken over and to the new forms of relationship that they have helped to introduce, they may find these conflicting interests more than they can successfully manage. On the other hand, they may be able to consolidate the two, thus to some degree expanding and redefining the roles themselves and perhaps altering the value orientations by which role behavior is validated. There is evidence of the former situation, I believe, in Roberto's attempt to insulate himself from the demands of the community; and of the latter, something may be seen in Pepe's campaigns for transforming the life of La Pacanda. For the individual, the consequences of economic and technological change have been conflicts of value orientation and of role definition; for the community, such conflicts appear to be part of the process whereby closer relationship to the larger society is achieved. ☞

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# ESSENTIALS OF LAND REFORM

ROBERT W. HUDGENS

IN NO WAY IS OVERSIMPLIFICATION more often manifested than in plans for redistribution of land. This arises from a mistaken concept of the nature of agrarian reform. The plain facts are that we are dealing with social revolution of broad proportions, that we can guide that social revolution into quiet waters only by placing under it a firm economic base, and that the base must be firm in all its parts. The job cannot be done in unrelated segments or by the half measures into which oversimplification inevitably leads.

True agrarian reform lies not in the revolutionary redistribution of land but in the evolutionary process by which people find security on the land. It involves not merely the cravings of land-hungry people but the whole complex problem of rural insecurity. We are concerned, therefore, with agrarian reform as a process of advancing rural security. In most countries the term agrarian reform already has the connotation of rural security. In all the proposed legislation now pending in Latin America, the two appear to be synonymous.

Redistribution of land will be necessary in many areas, but it is not the main emphasis. In most of Latin America, for example, the chief unresolved factor is not the availability of land; there is enough unused and underused land to feed a realistic program of agrarian reform for the next decade.

In my opinion there are at least four factors that must be resolved in each country before it is clear whether, how, or to what extent land is to be redistributed.

The chief unresolved factor is how to introduce capital into the process. The only way to provide capital prior to capital accumulation is through credit. And the only safe way to introduce credit to farmers who lack managerial ability is in combination with "managerial" assistance, that is to say, with technical assistance. Credit adequate for rural development has special characteristics, and it is a doubtful assumption that bankers instinctively understand them. One of the most interesting phenomena in the world of finance is how bankers appear to consider rural credit as abnormal commercial credit instead of normal rural credit.

Credit to support agrarian reform must be based on productive potential and not limited to a margin of security. Rural credit consists of credit not merely for production but also for the services on which the farmer depends. None of these must be left to chance, for the farmer's success often depends less on his own efforts than on services over which he has no control.

THE SECOND UNRESOLVED FACTOR is how to apply subsidy to support the initial stages of agrarian reform. In a broad rural security program, there are certain things that a

country must do for itself and certain others with which it will need help. Similarly, there are certain things that a farmer must do for himself and certain things that must be done for him if he is to succeed. These things that a farmer or a nation cannot do for themselves must be subsidized, and the effective application of this subsidy is not softness in an otherwise sound approach but realism in what will otherwise be failure.

The capital being channeled into rural areas over the next decade must have its own built-in social concept, and that concept must encompass land-people adjustment. The key to the concept is the philosophy under which subsidy is applied to promote social justice in economic development. Let me explain what I mean.

In terms of rural security and promotion of rural development, the USA Farm Security Administration was one of the biggest agrarian reform programs ever undertaken prior to World War II. It was built entirely around a specialized system of credit and the realistic use of subsidy in the form of technical assistance and community services and facilities.

FSA had a special interest in the social aspects of rural security. The idea of subsidy in rural development was not new, but FSA changed its form somewhat and made it available to a new group.

In 1939, on one of my field trips as Associate Administrator of FSA, I visited in succession Taylor County, Wisconsin, and Green County, Georgia. I remember one case in each that is typical of one of the basic causes of rural insecurity and of the cruel form of subsidy that forces one family's sacrifice for another family's success.

In Taylor County a young farmer with a family had agreed to buy from the lumber company 50 acres of cut-over land, with 5 acres cleared and a log house. He was to get it rent-free for the first three years, and at the end of the third year he was to make his first payment of \$150. During that time he could farm rent-free all the land he could clear of stumps and brush.

At the time of my visit, the end of the third year had arrived, but the farmer had cleared only 19 acres and could not raise the \$150. When I asked him about the future, he said, "I have made another deal with another lumber company for 50 acres, only it already has 20 acres cleared." The agricultural agent later said that the same process would probably be repeated—the young farmer would clear another 20 acres that would still not be enough for an economic unit.

In Green County, a young farmer told me he was doing very well because he had bought his farm for the unpaid debt of the previous owner, who had started by buying the larger unpaid debt of the prior owner. This time the agricultural agent explained that this farmer had been subsidized by two previous bankruptcies and would undoubtedly succeed.

I reckon from my 14 years' observations with FSA that 80 per cent of the farms of the United States were partially subsidized in this manner—two bankruptcies, and frequently two families ruined, before the third succeeded. Except where there was irrigation, in the vast majority of those cases the bondholders' investment also was lost and went into the subsidy.

In FSA we undertook to learn what would be required for the first family to succeed, and our findings furnish the basis for budgeting agrarian reform for practically any Latin American country. In any country, serious attempts at agrarian reform must begin with the question, "How

EDITOR'S NOTE: This article is based on Mr. Hudgens' statement at the Eighth National Conference on International Economic and Social Development, Washington, DC, June 1961.

much will be required in credit and subsidy for the first families to stick?"

Let me list the five services and facilities that stand at the top of the list: *Security of tenure*, either ownership or long-term lease, either directly or through an operating cooperative. *Land ready to be farmed*, that is, already cleared. *Credit that fits the farmer's needs*, in terms both of type of credit and of technical assistance. *Roads, access to market, schools*, and other community facilities. The latter may be acquired gradually, but the point is that they cannot be financed by the income from the small farms. *An agricultural extension service* to promote general improvement of the country's agriculture, including research and market promotion.

Subsidy both to the farmer for his deficit needs and to the country for its general program is merely delayed payment for raw materials and agricultural products brought out at bargain prices to subsidize industrial development elsewhere. There is a corollary to the law of cause and effect which should say that if raw materials and bargain-priced agricultural products are taken from a colonial area and an equal amount of capital in some form is not put back, then the people will come out or the whole place will explode.

Let us identify the immediate needs that must be met from outside. The greatest need is a dependable source of credit from regional or international credit agencies earmarked for rural development. The next great need that must be imported is technical assistance to credit institutions so that they in turn can provide technical assistance to farmers. An arrangement, practicable from every point of view, would be for regional banks, such as the Inter-American Development Bank, to provide technical assistance to local banks and to rediscount loans made by local banks to farmers and processors of agricultural products.

THE THIRD ESSENTIAL FACTOR in a land reform program is to discover an appropriate method of compensating landowners for land taken up in agrarian reform—which is another way of saying, to establish a method of converting lifeless capital now invested in underused land into more productive enterprises. This is not a matter of helping out the landlord but of converting capital into a more dynamic form for use elsewhere in the economy. Underused land represents billions of dollars of stagnant capital that ought to be reinvested in some form faster than can be done by agricultural production.

All the Latin American countries now considering agrarian reform are trying to arrive at some realistic method of financing land purchase, and most of them are contemplating the use of bond issues for this purpose. Unfortunately, there has been no organized attempt by any of the international agencies to arrive at a plan that might serve as the typical pattern or as the starting point for each country's consideration. I suggest that a realistic scheme should include payments to be made partly in cash and partly in bonds due at regular intervals of, say, 5, 10, and 15 years. I suggest that central banks in countries having land reform programs form a pool participated in by the Inter-American Development Bank to support at least partial negotiability of these bonds on a regional basis so that the bonds might be exchanged for capital stock of industrial enterprises. When that is done and credit for production and for expanding small units is available, then credit for land purchase on a larger scale will have to be made available.

Finally, the fourth and overriding factor still unresolved in most countries is how to administer agrarian reform so that no essential service is left to chance—that is, so that all essential services are subordinate to the main objective.

Too often the agrarian institute controls only the distribution of land, and credit is left to the whims of the bankers. Agrarian reform programs are more often sabotaged by the so-called orthodoxy of the credit system than by the lack of available land. Too often new settlers and their produce are left stranded by unconcerned planning of roads and markets.

The guiding principles of sound administration are clear:

- Control of land distribution and control of credit must be under the same authority. Invasion of new lands, unguided by sound family selection and technical planning and unsupported by credit, will produce only failure.
- These must be closely coordinated with control of the subsidy for roads, clinics, and other facilities.
- The operation must be sound from a technical point of view; that is, the technical staff must be competent, for security on the land is rooted literally in the soundness of the farming operation.
- Within these guiding principles, administrative procedure must be flexible. A common error is to write into agrarian legislation details of procedure that should properly be left to the judgment of technicians and administrators. Each successful agrarian reform program with which I am familiar has properly changed in pattern as it progressed. The unsuccessful programs are often explainable by over-detailed planning.

Rural security is not something that planners can take or leave. A noted economist, speaking of rural development, recently said: "Hopes for development and for capital on which to grow will not materialize unless they improve their agricultural performance. There is no country now making progress that is not doing so."

This is another way of saying that the nations of the world now struggling with poverty and its dire fruits, with social revolution and threats of violence, are paying the penalty of having squandered the human and natural resources of their rural areas and having failed to create a function for unused and underused land, and for their restless and underemployed people. ♣

PERHAPS out of the circumstances of interdependence there is a new idealism at work, a new morality, a new rational abstraction—working toward equal justice and well-being for all the peoples of the world as a community because it is the human thing to do and because it is right per se. This is a circumstance into which individuals are born, a goal to which leaders are increasingly held, and the mold in which the world's work is increasingly shaped. How strong it is, and how much stronger it will become, may be moot; but a circumstance it now is. J. Ben Lieberman, The Purposes of International Development, report prepared for the New York Chapter, SID, 1961.

WHEN IT IS A MATTER OF PEACE, of the future of men, time cannot be measured in the ordinary way. What has to be done is to move forward and maintain faith and patience. French Minister of State M. Louis Joxe, press conference, Evian-les-Bains, 13 vi/61.

## MEASURING SUCCESSFUL PERFORMANCE OVERSEAS

HOLLIS W. PETER & EDWIN R. HENRY

BECAUSE OF THE LARGE NUMBERS of Americans working and studying abroad, and because the behavior of individual Americans overseas significantly affects attitudes toward our country, the task of assuring the highest possible quality of Americans to represent this country abroad has assumed increasing importance. Government agencies, companies, and private organizations engaged in educational, religious, and welfare programs are all rightly concerned with how they can select and train the Americans who will not only do the best jobs for them, but who will also represent their country well. Hence, it is important not only to use what knowledge is available about selecting, training, and evaluating individuals in the USA, but also to know what differences there are, if any, between qualities making for a successful performance abroad and successful performance at home. It is difficult to imagine how better selection, training, and on-the-job performance can be achieved until we know what successful job performance overseas is.

The inadequacies of present selection procedures and training programs are reflections of this problem of relative ignorance about goals. How is it possible, in fact, to know whether selection and training are good, bad, or indifferent without relating them to the end product—on-the-job behavior overseas—for which they are but preliminary steps? This is not to suggest that intuitive judgment on the part of selectors and trainers cannot be useful in making judgments as to which Americans should go and how they should be prepared through training. A considerable body of experience has been accumulated to determine what professional or technical training, knowledge, and experience are required for the performance of certain kinds of jobs in other countries. The more difficult questions for selectors and trainers are those dealing with the personality, interpersonal skills, attitudes, and motivation of candidates. Those elements seem to be accountable for much of the success achieved or the failure to achieve it.

What then must be identified in advance that will give reasonably reliable predictions of subsequent success or failure in the job overseas? What weaknesses can be overcome, and what elements of strength developed, in the course of training? The problem is that the traits, characteristics, and skills that go to make up successful performance overseas have not been specifically identified and studied to the point where selection and training programs can use this knowledge. Our ignorance of what makes up success overseas also helps to explain why so few training programs have been evaluated to determine whether they have the desired, or any, effects on subsequent performance.

It thus seems clear that selection and training programs for Americans going abroad can be improved only if more is learned about the end product—actual performance. The proof that selection provides the right kind

of screening and that training provides needed additional preparation can come only from evidence on the job.

### Success on the Job Overseas

OUR GOAL is to determine how successful performance overseas can be defined in such terms that it can be measured (rated or judged), and then related to other measures, ratings, or information available at the time of selection and in the course of training. We want in this way to learn what information obtained at time of selection or training can help to predict success or failure on the job, and also to learn what kinds of training activities contribute to success. We want to systematize and test our hindsight so that it can be converted into foresight.

In any evaluation of job performance, domestic or overseas, it is essential to know what criteria are being used to judge or measure success. Upon whose opinion, upon what standards of judgment in relation to what objectives, and on what tests, is success or failure to be evaluated? The criterion problem is the key to any evaluation.

The fact that jobs overseas differ greatly, just as they do at home, is obvious. Job roles can be described in terms of functions—teaching, advising, consulting, administering, practicing some professional specialty, reporting, selling, representing, et cetera. They can also be described in terms of levels of complexity, responsibility, and so on. Each of these categories of overseas jobs may require a different mix of knowledge, skills, attitudes, and kinds of behavior. Although success in any job is thought to require certain minimal levels of skills, motivation, attitudes, and ability, the point is that criteria of performance should be appropriately related to a particular kind of job.

A related problem is, of course, the comparability of criterion measures from different places. The same kind of job may have quite different requirements in different countries, depending on the particular personal traits, skills, and knowledge called for in the cultural environment and the immediate work situation. It is also conceivable that job requirements, and therefore the criteria for appraising performance, may vary over time.

These complexities do not mean that the criterion problem is insoluble, but they do help to explain why existing studies have made no more headway than they have. Another reason seems to be that criteria of successful performance have not been described rigorously enough or in sufficiently specific terms so that they can be related to other variables in the individual's personality,

**AUTHORS' NOTE:** *This article describes one means by which the performance of Americans overseas might be improved. It shows how the inadequacy of our knowledge of what constitutes successful performance is a stumbling block to major improvements in the selection and training of Americans to work abroad, and outlines the nature of the research that is needed and possible on criteria for successful performance. The article is a combination of presentations made by the authors at the Ford Foundation Conference on "Training Americans for Overseas Technical Assistance," at Princeton, New Jersey, November 1960.*



9 background, and experience. Still another is that too few cases have been studied in particular kinds of jobs; this seems to have led to mixing criteria and performance measures in different jobs with different requirements.

Observations from several research studies will illustrate some of the things that have been learned about the criterion problem.

### Notes from Selected Assessment Projects

**OSS ASSESSMENT PROGRAM.** A large-scale program that had to deal with people in a variety of functions, and in extremely complex environments, was the oss assessment program, described by the oss assessment staff in the book *Assessment of Men* (New York: Rinehart, 1948). Inadequate criteria were a stumbling block, as the assessors themselves recognized, but the recognition that a holistic approach to the assessment problem was necessary was itself a major achievement. The study helped demonstrate that although subject-matter skills on the job could be fairly readily predicted, the measurement of skills alone or of knowledge of subject matter was insufficient for predicting behavior in complex environments. In such environments, the personality of the individual and his ability to adapt to his surroundings also had to be considered by the assessor.

• **ASSESSMENT IN EDUCATIONAL INSTITUTIONS.** In the book by George G. Stern, Morris I. Stein, and Benjamin S. Bloom entitled *Methods in Personality Assessment* (Glencoe, Illinois: Free Press, 1956), four types of assessment methodology are analyzed, with examples of research studies of teacher-trainees and of graduate students in physics and theology. The relative advantages and disadvantages of the analytic, the empirical, the synthetic, and the configurational assessment methodologies are described in some detail. All four methodologies are based on the theoretical proposition that behavior is a function of the transactional relationship between the person and his environment. While the book does not deal with cross-cultural assessment, it explains the process of studying and understanding the environment in which the individual to be assessed is to act. More importantly, it also emphasizes the need for, and suggests ways of studying, the congruence between the data obtained from an analysis of the individual and the characteristics of the hypothetical model of the environment. Such study of the interaction between the individual and his environment is essential.

• **THE OVERSEAS AMERICAN PROJECT.** In a recent study project undertaken by Syracuse University and reported by Harlan Cleveland, Gerard J. Mangone, and John Clarke Adams in the book *The Overseas American* (New York: McGraw-Hill, 1960) a study was made of selected Americans in five foreign countries and of the general traits believed to be associated with success. The book is one of the best available in focussing attention on the problems of overseas service. The authors conclude that technical skill, belief in mission, cultural empathy, sense for politics, and organizational ability are the components needed for successful performance overseas. While some or all of these elements may well be important to overseas success, the analysis of these five clusters of general traits does not prove this relationship, nor does it show how these elements can be identified and measured. The value of this research project as an assessment device would have been enhanced if significant correlations could have been shown between the single success criterion used (the rating of the American supervisor) and the individual factors making up each of these clusters of traits or characteristics. Inter-correlations among scores would also have shown to what extent the same factor may be present in several clusters, the "halo effect." It is also unfortunate that only one success criterion was used, as another might have shown very different results.

• **SURVEY OF PHILIPPINE PARTICIPANTS.** An approach to the multiple-criteria problem was made in a study undertaken by Hollis Peter and Lawrence Schlesinger, *Using U. S. Training in the Philippines: A Follow-up Survey of Participants* (Washington: International Cooperation Administration, and Ann Arbor: Institute for Social Research of the University of Michigan, 1959). The study, relevant because of its methodology, evaluated the success on the job of 450 Filipinos who had been trained in the United States and had returned to their country. Three criterion measures of successful job performance were obtained—in this case the use made of us training. One rating was made by the Filipino participant himself, the second was by his Filipino supervisor, and the third was by the American advisor or technician who knew his work. The significant finding was that these ratings *did not coincide*. The Filipino participant and his supervisor agreed to a slight extent, but neither of their ratings had any relation to that made by the American technician. Statistical correlations were made between a large number of other variables and each of these three criteria ratings separately. These correlations revealed many significant relationships, including those between success and certain aspects of personality, of the culture, and of the working environment, which helped explain success or failure as seen by each rater. The analysis also threw considerable light on how and why the ratings of an individual's success or failure differed between the representatives of the two cultures. While the study demonstrated the advantages of multiple criteria for measuring success, however, it was disappointing in other respects. No way was found to combine or to give appropriate weights to the three criteria. Nor were more objective criteria found that could be used to measure job performance.

• **THERE ARE OTHER STUDIES** that contribute to assessment methodology applicable to overseas service. These include studies of government personnel made by the Civil Service, (USA), studies of soldiers done for the Department of Defense, and studies by business organizations.

### Selecting Success Criteria

IF CRITERION MEASURES OF SUCCESS are needed to assess job performance overseas, to validate selection procedures, and to show the effects of training, how can they be obtained? Preferably, more than one criterion measure of success should be used, for the reasons discussed. Fortunately it is possible, for any category of job in any area, to show the number of persons achieving various degrees of successful performance, so long as we have at least one criterion measure. For each criterion measure of success used, ratings or measures can be obtained and plotted, either on a distribution curve or by categories of high, medium, and low. We are primarily interested in understanding the differences between high and low scoring individuals, but it is also helpful to know what *average* means.

What are some of the success criteria that might be used? Several are suggested for illustration.

• **SUPERVISOR'S RATINGS.** On whatever basis the overseas American's supervisor judges his subordinate's job performance, and however poorly this rating may correlate with other criteria measures of job performance, it is likely that the supervisor's evaluation will be significant to the organization and to the individual rated. It really must be used. In addition to getting the supervisor's general rating as one criterion of success, however, it would be very useful to get from him the specific factors on which this evaluation is based. What are the elements in the total judgment made by the supervisor, and what are the standards on which his overseas subordinate is rated high or low as compared with others? This kind of information can tell a good deal about the job itself.

• **THE INDIVIDUAL'S SELF-APPRAISAL.** The American whose success is being judged should also provide his self-evaluation. The usefulness of self-evaluation is twofold.

(1) It can help to make explicit the criteria and standards on which an individual judges himself, as contrasted with the basis on which his supervisor's or other evaluations are made. In this respect, it shows the degree to which the concept of the job and notion of successful job performance are the same or different. (2) The evaluation can be used as one basis not only for validating selection and prior training but for counseling and further on-the-job training.

• **HOST NATIONAL EVALUATIONS.** Most ratings of overseas Americans are made by other Americans, with at best only indirect consideration given to the feelings and judgments of host nationals. If we really believe that the success of an American's performance overseas is related to how this performance is judged by host nationals, we can ill afford to ignore or to guess about this source of evaluation. While it may be difficult or awkward in some situations to ask the significant or appropriate host nationals to rate Americans, it can often be done. Moreover, whether or not the judgments of host nationals are to be used, knowing them will help determine in what ways host national criteria judgments are the same as or different from those used by Americans. This would probably be valuable not only for understanding cultural differences but for improving working relationships in the country.

• **JUDGMENT OF OUTSIDE EXPERTS.** Often there are peers, or other experts in the same field and in the same country, who are familiar with the American to be evaluated and with his work. Such persons, somewhat removed from the immediate work situation in which the American to be rated finds himself, may be in a position to make a useful appraisal.

• **DOES THE MAN STAY ON HIS JOB?** A fairly objective measure of some kind of failure, if not success, may be whether the American leaves his job overseas prematurely. Resignations or firings are usually clear-cut, as well as costly, examples of such failure. At the other extreme, it is conceivable that where the job assignment overseas was to train a host national replacement, an overly extended stay might also be seen as partial failure.

• **OBJECTIVE MEASURES OF RESULTS, PRODUCTION, OR EFFICIENCY.** Where the job calls for specific outputs in terms of numbers of persons to be trained, wells to be dug, et cetera, it may be possible to use such indicators as criteria for successful performance. Unfortunately from the standpoint of criterion selection, however, relatively few jobs performed by Americans overseas can be clearly seen in these terms. It is nevertheless possible that the degree of achievement toward stated objectives can usefully be judged as one measure of success for some kinds of jobs.

This illustrative list of criterion measures of success could, of course, be expanded. The purpose in listing them is only to suggest that several criterion measures of job performance are usually available, and that it will usually be necessary to work with more than one. Whatever is learned about selection and training will depend on these criterion measures.

The problem of weighting and combining several criterion measures into one measure of job success as a whole is still far from solution. On the one hand, in a recent large study attempting the early identification of management potential in the Standard Oil Company (New Jersey), a combined criterion was found more predictive than any of its component parts. The survey of job performance among Filipinos referred to above, on the other hand, showed no pattern of intercorrelation among criterion ratings that could have been combined into one measure. Similarly, a study by Seashore and others of relationships among quite objective criteria of job performance in an industrial situation concludes that it is not valid to view total job performance as a unidimensional construct, or to combine several criterion measures into a single meas-

ure. (Stanley E. Seashore, Bernard P. Ludik, and Basil Georgopoulos, "Relationships among criteria of job performance," *Journal of Applied Psychology*, 1960, Vol. 44, No. 3, pp. 195-202.) The probability that criterion measures will have to be used separately rather than together adds to the problem of statistical analysis but is not an excessive handicap if electronic computers are available.

### Measuring the Elements That Affect Success

HAVING SELECTED AND OBTAINED several criterion measures of success, the next step is to identify the factors, elements or ingredients that go into successful or unsuccessful performance. Our goal, however, is not only to identify but to measure those elements that account for later performance overseas and that can be used as predictors of success or failure. Factors described in such general terms that they cannot be measured or judged in some way (present or absent—more or less) are of no use at all.

There are several general kinds or categories of information to be considered, out of each of which will be selected those specific measures or factors that can be shown as most useful, empirically, in discriminating between subsequent success or failure on the job.

Certain facets of the individual's *personality* can, if properly measured, tell a great deal about his congenital predispositions as modified by his social environment. Personality tests can indicate a great deal about a person's internal frame of reference, his psychological and social maturity, and the likelihood of his being able to adjust to and deal with the kinds of stressful situations found overseas in different cultures.

A second class of variables has to do with the *situational environment* in which the individual finds himself. To some extent it will be necessary to describe and measure important aspects of the environment in sufficiently specific terms that they can be tested to determine whether they are useful as predictors of an individual's success or failure. The prediction of performance will also be based upon a study of the congruence between the environment as it impinges on the individual, and his personality. There appears to be no single "best" personality for every situation, nor any ideal environment for all personality types.

Useful data that integrate the relationship between environment and the person stem primarily from sociological and psychological analyses of social roles. A functional analysis of social roles has the great advantage of making possible the structuring of the problem of interaction between environment and personality in comparable terms. On the personality side, the characterization of the individual can be made in terms of personal needs, expectations, motivation, attitudes, and behavior; on the environmental side are the expectancies of others, the organization's needs and goals with respect to adequate role fulfillment. Thus the general approach for studying and explaining job performance is in terms of factors in the individual, factors in the environment, and the integration of the two, related to the best available criterion measures of actual performance.

### Goals of Selection and Training

THE PERSON SELECTING AMERICANS for overseas service in any organization has responsibility for answering somewhat different questions than the person who is planning or conducting a training program to improve the individual's ability to function effectively abroad. The selector must choose, out of those candidates available to him, the



persons whose chances of success appear highest, and must try to eliminate those for whom the probability of failure appears to be high. He works exclusively with information at hand and has little opportunity to affect existing capabilities in the individual.

The trainer, on the other hand, operates on the assumption that his program will provide additional subject matter knowledge, skill learning, or changes in attitude that will be incorporated as improved capacities and reflected as more successful behavior later on the job overseas. He is deliberately a change agent, but must recognize that there are limits to what he can change.

Both the selector and the trainer, however, must have in mind the desired job behavior overseas, as the basis for their ratings and operating decisions. Both must understand the criterion measures used to evaluate job performance, against which their own tests for selection or ratings in training must be validated.

In the next section, no distinction is made between those variables that have particular relevance to selection as contrasted with training. The variables are listed to suggest promising sources for one or the other.

### Predictor Variables

IN ATTEMPTING TO IDENTIFY AND MEASURE the variables associated with subsequent success on the job, one should ideally start with Americans at the point of selection and follow them through training and into their overseas jobs. It is also possible, however, to search for significant variables related to success or failure without the great lapse of time that such a study would require. A very useful analysis, although somewhat less rigorous, can be made by examining people who are at present overseas. This would require obtaining ratings, using criterion measures of success such as those previously suggested on a fairly large sample of Americans now overseas. Each person's background would then be examined to find the possible predictor variables and to determine, empirically, whether these help to explain the difference in job performance.

What kind of information is available that, when converted to measures of ratings, might have predictive relationships to job success?

- **PERSONAL HISTORY.** Perhaps the most promising of all source materials is the "individual background survey" or "biographical inventory" of individuals. This is in essence a personal interview set up in a multiple-choice questionnaire format with standardized questions and alternative answers that can be checked by the examinee to describe himself. Each question included has been shown to have validity for the use to be made of it. The "scoring key" is established on the basis of an empirical study of "successful" and "unsuccessful" groups of people like the ones for whom it will subsequently be used. Ordinarily only a single "predictor score" is obtained from this instrument—a score that is probably a composite of maturity, stability, independence, social sensitivity and responsibility, interests, and similar personal characteristics related to both technical success on the job and acceptability to others with whom the individual will interact.

Major advantages of this method of exploring the background of individuals are that the personal biases and value systems of "interviewers" are eliminated; only relevant factors are included in the assessment; proper weight is given to each of the factors explored; objective quantitative "scores" are produced that are available for further validation; "clinical" judgments are replaced by quantitative measurements; and it is far less expensive to use than the traditional, unvalidated judgments of interviewers. The experience of some industrial corporations has been that such personal histories, when systematically analyzed and scored, provide the components for an instrument more

effective than any other for discriminating between success and failure. A major study in a large company, aimed at the early identification of persons with the potential to reach top management, has probably made more complete use of this approach than of any other. Many specific measures with predictive value come from this source of information.

- **CRITICAL INCIDENTS.** Another promising predictive instrument is derived from an analysis of the actual behavior that "made the difference" between success and failure in specific situations. The "critical incidents" are determined by observation of the specific behavioral situations, by post-situational interviews, and sometimes by actual measurement. These critical incidents are important and relevant instances of interaction between the individual and other persons or the environment. The descriptions of the critical incidents furnish the raw materials for the development of tests, appraisal forms, or other devices such as the background survey just described. They may also be useful in developing training situations to make sure that individuals behave in ways contributory to success on their jobs.

- **LANGUAGE-LEARNING READINESS.** Dr. John Carroll at Harvard has shown that the aptitude to learn another language is a kind of specialized rate-of-learning ability that is not closely related to age or intelligence, is not very specific to a particular language, and is not appreciably transferrable from one language to another. It still remains to be demonstrated to what extent facility in another language is related to success overseas in particular jobs; for while it seems obvious that some jobs require considerable facility in the host country language, it is less clear to what extent this is true for other jobs, or in general as some indication of empathy.

An interesting relationship has been found, in the experience of one industrial concern operating overseas, in which resistance to taking foreign language aptitude tests is positively related to early failure overseas. With the few cases for which data are available, this is only a clue, suggesting perhaps a lack of motivation, excessive ethnocentrism, or resistance to adapting to different cultures. Our hope is to find clues of any sort that can be used to identify Americans who will be poor risks abroad.

- **SUCCESS IN TRAINING.** It may be that those persons responsible for setting up and coordinating training programs can provide ratings or estimates that may have predictive value when correlated with subsequent job performance. Trainers often have first-hand experience abroad and feel they know what is important overseas. The validity of their advice and judgments should be tested, however, and not assumed.

Similarly, the very fact that an American has completed a particular type of training may be positively related to subsequent success, but this also needs verification. It is our belief, though we have no quantitative proof, that those Americans serving abroad who have been through the training programs of the National Training Laboratories (NTL) of the National Education Association should do appreciably better than those who have not. The purpose of the NTL training is to allow trainees to learn at first hand the powerful psychological forces that operate in groups, and to help them learn how their own behavior affects other people. It is not, however, the subject matter of leadership, human relations, and group dynamics that distinguishes the NTL training from other types but the method it employs. Trainees are not lectured to but are personally involved in the learning process. The NTL training is usually conducted in a place where trainees can work and live together away from the immediate work situation. Training and learning takes place primarily in a training group (called a T-group) in which members are thrown together as strangers without any group assignment and without the normal status distinctions of real life.

In this unique laboratory situation, group members are expected to form a functioning group and to decide what they want to do. Members of the T-group are not only permitted but encouraged to discuss their own and one another's behavior, with a frankness not usually possible in real life. Using the information from each other, and



usually with the help of the trainer, who is a psychologically trained expert, members of the T-group begin to understand themselves and the behavior of others.

The NTL type of training apparently results in better understanding of one's behavior, motives, value systems, prejudices, and similar characteristics, and the effects they have on others; increased sensitivity to "the other fellow"—his goals, values, needs, and interests—and better understanding of how and why they affect us as they do; improved skill in interacting with others, individually or in groups, in ways that further the objectives of all concerned; improved skills in communicating both verbally and attitudinally; a general lessening of rigidity of behavior.

These skills, and their associated changed attitudes, should facilitate working effectively with others and are perhaps even more useful in a foreign culture than in working within sub-cultures in this country. This supposition also should be tested.

• **ABILITY AND INTELLIGENCE.** It may well be that certain levels of subject-matter comprehension and experience can be tested that will have predictive value when related to subsequent performance in particular jobs overseas where particular technical or professional competence is required. Subject-matter competence is not apt to be very useful as a discriminator, however, since candidates are usually selected with this first in mind. Failures are more likely to result from inability to use technical knowledge in the ways required by the local situation, or from other factors unrelated to subject-matter competence.

Similarly, intelligence itself (as measured by IQ scores) has often been found to have very little use as a predictor of success, probably because self-selection has already taken place and nearly everyone considered for a particular job is at least "bright enough."

### Combining Criterion and Predictor Measures

THE SELECTION OF CRITERION MEASURES is made on the basis of what measures of success on the job are believed to be significant and meaningful—the personal judgments that should be used and the objective measures that can be developed. The selection of the pertinent variables that have usefulness in explaining or predicting success can be only empirically determined. It must be shown that they are significantly related to whatever success criteria are used, or they are not useful as predictors in either selection or training.

The relationship between the criterion measure of success on the job and the explanatory or predictor variables is expressed in a multiple regression equation. A series of predictor variables can be shown in combination, adding together the relationships that each has with the criterion measure. Each of the predictor variables will be assigned a weight that shows the contribution this factor makes to the criterion measure of success on the job, when other factors are held constant. The goal is to add as many variables, each with their appropriate weights, as contribute appreciably to the explanation or prediction of success or of failure.

It is to be expected that all the variables for which measures can be found will, when added together, account for a significant fraction of the variation in success on the job. The best study in industry aimed at predicting job success in the USA and using a wide variety of predictor variables accounts for 40-50 per cent of the variation in success on the job. Being able to account for one-third to one-half of the variation in job success overseas would be a real achievement, well beyond our present capabilities and yet a reasonable goal.

### Measurement versus Hunch

AMONG THE MOST NEEDED research programs for the improvement of American operations overseas is research on criterion measures of successful job performance. This research would include study of elements in the personality and background of the individual himself, in the working environment of the American overseas, and in the interaction of these variables. Research experience in business, government agencies, and private organizations to date, while inadequate, clearly suggests that such empirically determined variables, when related to job performance, can be useful predictors of subsequent success or failure. Until a more systematic research effort is made to identify and measure the elements of job performance overseas, selection and training programs for Americans going abroad will continue to be based largely on unvalidated intuition and hunch, and improvement in American programs overseas will be much less than it might be. ♣

## PROBLEMS OF ECONOMIC GROWTH IN NIGERIA

M. I. OKPARA

ALTHOUGH WE IN WEST AFRICA are so far away from India, there are a lot of things that bind our two countries together. When Prime Minister Nehru makes a foreign policy statement in India, it is almost always read and digested with great avidity by many people not only in Nigeria but elsewhere in many countries in Africa. Throughout the towns of Nigeria, both big and small, are scattered a fairly substantial group of Indian merchants who have a large share in our textile trade, who engage in small manufactures of such goods as umbrellas, sandals, and plastic articles; and a well-known Indian firm runs a network of supermarkets throughout the cities of Nigeria.

EDITOR'S NOTE: Dr. Okpara is Premier of the Eastern Region of Nigeria. This greatly condensed version of his address before the Madras Chapter of the 14 July 1960 necessarily omits many detailed facts and figures included in the original.

In the many cities and towns of my country, most of the cinema houses provide 50 per cent of the fare in Indian films, and in the northern part of Nigeria people are known to offer passive resistance against cinema houses that show any other but Indian films. Records of Indian light music have acquired an immense popularity in many Nigerian homes, and under the blue skies of West Africa, India's beloved playback songstress, Latha Mangeshkar, holds sway over the emotions of millions of my countrymen with the melodious charm of her voice and music. The Indian saree, the most beautiful drapery that ever adorned the feminine form, exercises an immense fascination on the minds of Nigeria's young women—as well as men. In our government, particularly in the Eastern Region, from where I come, we have a large band of educated men and women from India, more particularly from the states of Madras and Kerala, as school and college teachers, inspectors of schools, engineers on our roads and rail-

ways and in our ports; and, when the World Bank offered to give us an economic adviser for our federal government, we prescribed that he should be an Indian.

OURS IS A COUNTRY that has to be described as very much more underdeveloped, especially in relation to our resources, than is India. Also, in some ways, the nature and dimension of our problems is somewhat different. Nigeria, with its population of approximately 40 million people, is about the size of Pakistan, with one half of its population. Therefore, though we happen to be the most populous country in Africa, the growth of population does not constitute for us the same kind of problem as it does in countries in this part of the world and more especially in India. In fact, it is even conceivable that, to some extent, a slight increase in the pressure of our population will be good for us to enable us to better exploit the resources that nature has endowed.

Our resources are fortunately varied, because of which, unlike a number of other underdeveloped countries, we have a greater degree of stability in our external trade since we do not depend on just one or two commodities for earning foreign exchange income. Our major exports are groundnuts, palm oil and kernel, cocoa, hides and skins, bananas, rubber, tin, petroleum, columbite, and a number of miscellaneous small articles, which collectively comprise a sizeable export in themselves. Until recently, we have had a fairly stable export income and were able, year after year, to lay by a little nest-egg in the form of external reserves, which we hold mostly in the sterling account and which are roughly estimated at present to be of the order of about £160-180 million. Because of this relatively favourable payments position, we do not feel the need for any exchange controls.

Although in the external trade sector of the economy we have had a fair measure of development, it is a development that lacks a counterpoise in the development of the internal economy. Apart from forest and plantation products, we have had very little development in the field of arable farming although we produce the bulk of our food, which lacks balance as well as variety. Although we are a tropical country and are endowed by nature with resources to produce an immense variety of fruits and vegetables, we have had very little growth in this sector of the economy. Meat is produced mainly in the Northern Region, and the Eastern and Western Regions of Nigeria do not have a livestock economy at all because of the tse-tse fly. As this scourge is now increasingly being brought under control, we hope to develop our livestock wealth, but you can imagine what it means to a people to be without adequate supplies of meat or milk products and to have no animal power for rural transport or cultivation.

Our transport system has been built rather more with a view to carrying produce to the ports and from there to the markets abroad and not necessarily for promoting the area of indigenous trade and agriculture. It is too small, too narrow, and too inadequate for these latter purposes. Even in the realm of more internal trade development, the bulk of it is organized by a small number of expatriate firms that hold an enormous sway over the economy of our country.

We are backward particularly in the area of education. We have received a lot of education in Latin, the classics, history, English literature, and anthropology, but hardly any in the useful arts and sciences like economics, bank-

ing, politics, engineering, medicine, or agriculture. All this has left us very inadequately prepared to manage or man our administrative, industrial, and financial requirements as we became independent. In the matter of financing institutions, less than 10 per cent of our banking activity is in the hands of truly national institutions; and expatriate financial institutions, with little capital involved in our country, are able to collect and control an immense amount of deposits. For example, about £20 million of money deposited with commercial banks in Nigeria is constantly employed abroad by these banks in investments of profit to themselves, while capital shortages dog the country's economy. Arab and Indian merchants between them handle a great deal of the retail trade and many of the levantine firms particularly have a virtual monopoly of our construction trades and building activities.

TO SUM UP BRIEFLY: in terms of national income, and in terms of the resource-population balance, we are reasonably happy so far; and we have had a fairly rapid growth in our economy in recent years. The rate of growth, according to our statistics, which are obviously most imperfect, is little better than about 5 per cent per annum. However, the proportion of the national income over which the nation itself has had full control and which accrued to it is a much smaller one than it would be in many other underdeveloped countries. Of the national income of Nigeria, estimated at about £1,023 million (the Nigerian pound being at parity with the British pound), the proportion of the annual rate of investment for development is estimated to be 15 per cent in 1960, which you will notice represents a fairly high proportion of the income for an underdeveloped country.

In the past, this investment has been more or less heavily concentrated in the development of external trading activities, neglecting investment in human resources and failing to secure the requisite sense of direction in matters of social justice. It also failed to utilize available resources to the maximum extent in the service of the poorer sections of the community and in increasing the substance and variety of consumption.

In our new plan for the years 1962-67, now being prepared, it is our hope that we may be able to rectify some of these drawbacks and restore some balance to our economic growth. It looks as though, in this forthcoming plan, we would have to step up considerably the order of investment in the public sector.

For example, we have to produce more power to meet the growing needs of our economy; the rate of growth in demand during the last few years has tended to be as much as about 20 per cent per annum. Also, following the recommendations of a group of educationists under the chairmanship of Sir Eric Ashby, we have projected an investment in education of the order of about £69 million of capital expenditure and £60 million of recurrent expenditure for the next decade.

In the field of industry, we are content to leave matters to private savings and initiative, both domestic and foreign. For many years to come, there would be plenty of need to build a whole lot of industries for which there are ample facilities in our country.

In the field of power in the forthcoming plan, our major endeavour is going to be for harnessing the resources of the Niger River, which traverses the country like the backbone in the body. The present plans for the construction of a series of dams on the river are intended both to

14 enable us to produce some 173,000 kilowatts of power in about five years' time and to create a complex of arrangements for inland water navigation. The scheme will also enable us to irrigate vast areas on either side of the river to help augment our agricultural production.

It is, however, in the field of agriculture, which is the subject of development mainly by the regional governments, that the greatest challenges lie ahead. Our production in the major parts of Nigeria is at present based mainly on various forest products and plantations. While not neglecting this side of our economy, we have to diversify our agricultural production for producing cereals, lentils, vegetables and fruits, meat and milk products. In this matter of diversification, we are up against the problem of a traditional lack of skills. We are trying to tackle these immense problems by the establishment of farm settlements on which I personally have set my heart in my part of the country. In preparing the plans for these settlements, we propose to accept every form of assistance that countries such as yours can give. With your experience in the areas of extension work and farm settlements, and of countries such as Israel that have made such a success of these settlements, we have to achieve in a few years' time the major task of transplanting agricultural skills and practices that have been developed over hundreds of years in countries like yours.

On the basis of past performance and in order to main-

tain roughly the same rate of growth in the national economy, it will not be possible for us in future, as indeed it has not been during the whole of the last decade, to finance our development entirely out of our own savings. Although the whole subject is currently under study and discussion and therefore any mention of quantities is still largely notional, present estimates would seem to suggest that during the next five years we may have to invest in the order of roughly £1,200 million over the five-year period, with government being responsible for little more than half of this investment. Our initial adventures in trying to find resources for this investment suggest that we may have to find something more than £500 million from sources outside the economy, of which loans and foreign capital required to finance government investment may come to nearly £400 million. We shall need, broadly, a little less than £100 million a year, possibly for a period of about ten years, to enable our economy to take off or to achieve the status of self-sustained growth.

In the work of planning, we take heart from the way your country has blazed a trail for many others to emulate and follow. In terms of organization and discipline you have shown the way, and we would hope to follow along that road. It is with this purpose in mind that two delegations from my country have already visited India, and I have no doubt more will be on their way in the course of the next few months. ❧

## Puncturing illusions

# USE & ABUSE OF LOCAL COUNTERPART FUNDS

H. W. SINGER

LOCAL CURRENCY FUNDS are of different kinds and have different origins. Some of them are the result of surplus food sales, and these, broadly speaking, are in the legal ownership of the United States Government. Others, arising from aid transactions under the Mutual Security Act, are broadly speaking in the legal ownership of the receiving country. Different accounts are open to different uses and different procedures depending on their origin and the nature of agreements that govern their use.

These distinctions, however, are of interest to lawyers more than to economists. The local counterpart funds all have in common the following economic characteristics: They are the counterpart of some preceding aid transaction, in the form either of money or of goods; their use or disposal can take place only by agreement between the two partners to the original aid transaction; and they are supposed to be either wholly or in major part for the benefit and economic development of the receiving country.

In what follows, attention will be concentrated on the funds that have arisen as a result of transfer of surplus food under US Public Law 480. These are about half of the total funds and have had a definite tendency to increase in recent years. Mutatis mutandis, however, the

argument would also apply to any other kind of counterpart fund.

Again broadly speaking, as a result of the rising volume of counterpart funds there is a problem of their "use" or "disposal." The question arises whether this is a real or an imaginary problem. Even an imaginary problem can, of course, have real effects if it is considered to be a real problem.

There is a widespread belief that counterpart funds offer a real opportunity for constructive action. The very legislative concept that these local funds are to be "used" for the benefit of the receiving country implies that here is something that *can* be used and can give real benefits. In its crudest form the belief is that the use of counterpart funds provides a means of repeating, or doubling, the value of aid given. First you give aid by transferring money or surplus food; then you give further aid by using the arising local counterpart funds wisely. If you lend the counterpart funds rather than grant them to the receiving country, the process may go on more or less indefinitely as you re-lend the original funds. In this way, so it is believed, you can introduce a sort of multiplier into your foreign aid and make \$1 worth of aid do the work of \$2, \$3, or \$4.

In this crude form, such a belief would not be shared by persons with a degree of economic sophistication, but it is sufficiently plausible to the unsophisticated to make it worth while pointing out that it can cut both ways. By the

IN THIS ARTICLE the author expresses his own views, which are not necessarily those of the organization employing him.



unsophisticated supporters of foreign aid it can be used as an argument in favor of aid because of the imagined multiplier effects. By the unsophisticated opponents of foreign aid it can be used as an argument for cutting aid since the local funds are imagined to be there to take the place of further aid appropriations.

In a somewhat less crude form, the belief in the "reality" of these local counterpart funds takes the form of using them as a contribution by the owning government—for instance, as contributions to international organizations or as the local cost contributions of governments to further aid programs or technical assistance operations. It should be noted at this point that such suggestions may be made either by those who believe in the reality of these funds or by those who, while not believing in the reality of the funds, propose to use their existence as a handle for promoting worthy causes.

A demonstration of the essentially unreal nature of these local funds should not, however, be taken as an argument against the worthy causes proposed; nor is the use of local funds as a handle to promote such causes necessarily to be considered unworthy. It seems justified to try to get worthy causes promoted by methods that rouse least resistance and give the greatest chance of success; beyond this, it can often legitimately be argued that unless used for the promotion of worthy causes the accumulation of local currency funds would give rise to continuous irritation, and by troubling relations between the aid-giving and the aid-receiving country, defeat one of the chief purposes of such aid.

Even so, it is important that the proponents of worthy causes should not deceive themselves. It is one thing to use the existence of counterpart funds for getting things done that would not otherwise get done—whether for rational or irrational reasons. It is quite another thing to imagine, for instance, that the acceptance of local currency funds as local cost payment of aid or technical assistance programs is genuine evidence of a matching local effort. Insofar as the purpose of insisting on local contributions by aid-receiving governments is precisely to provide evidence that the receiving government is attaching priority to the project and is willing to put in its own resources as evidence of such priority, the acceptance of the funds as a local cost equivalent does not clearly satisfy this basic purpose of a local cost contribution.

THE BELIEF that local currency funds represent real resources and that their subsequent use and possibly repeated re-use could multiply the effects of foreign aid is easily confused with similar statements about the multiple benefits of foreign aid. There certainly is a possible multiplying effect of foreign aid. One dollar's worth of foreign aid can conceivably do \$2 or \$4 worth of good in the receiving country. If, for example, the supply of surplus food makes it possible to mobilize otherwise unemployed manpower and other resources, or to break a vital bottleneck in the development of the country, it might legitimately be said that the availability of \$1 worth of aid at the right time and used in the right way can increase the national income of the receiving country by a high multiple of this sum. But this has nothing to do with the establishment and subsequent use of local currency funds; it has to do entirely with the nature and effectiveness of the original aid transaction.

Similarly, aid can certainly have multiple functions. It can add to available investment funds; it can help to mobilize domestic resources; it offsets inflationary pres-

sure; it may secure continuity when export proceeds drop; it may be an instrument for adding socially desirable objectives to the development program of the receiving country. But again, these multiple benefits have nothing to do with the establishment and use of counterpart funds. They are again entirely inherent in the original aid transaction and in the way in which it is incorporated in the general development plans and policies of the receiving country.

It is also true that there is perhaps need for a halfway house between straight grants and straight loans. The grant relationship is perhaps not ideal between two sovereign countries, while the loan relationship is perhaps not ideal between developed and underdeveloped countries. Hence the recognized need for loans may often be imagined to be such a halfway house between grants and loans. But in fact the establishment of local currency accounts is again irrelevant. Terms and conditions of soft loans may be arranged beforehand without involving local currency funds at all.

Likewise it is true that if the original injection of surplus food has been effectively used as the basis for an enlargement of development programs and an increase in capital formation, this will provide additional resources flowing from the newly formed capital, and these resources can be ploughed back into new development on a rising scale (since savings out of increments to income may easily be higher than savings out of the low present incomes). Indeed, it is one of the prime purposes of aid to lead to such "self-sustaining" growth. But here again, although there seems a superficial similarity, the accumulation and use of local counterpart funds is not relevant to this process. The process may happen without any local counterpart funds being accumulated; vice versa, the accumulation and use of counterpart funds provides no evidence whatsoever that this process is actually taking place.

The effectiveness of the aid originally given, say through a supply of surplus food, is determined by the quality of the planning and use of aid at the time the surplus food is injected into the economy of the receiving country. If the aid is effectively used *at that stage*, it helps to mobilize the domestic resources of the receiving country. The subsequent use of counterpart funds cannot add to the effectiveness of the use of the aid, or remedy any failures in such use at the time the aid is given. Hence the belief that the use of aid is determined, not at the time of the original transaction but subsequently at the time when the counterpart funds are assigned, may result in a situation where the boat is missed at the crucial time and the aid becomes ineffective.

The local counterpart funds may be used subsequent to the aid either for a project that is part of the development plans for the assisted country or for an additional project that the receiving country would not otherwise have undertaken. In the former case the use of counterpart funds is an unnecessary formality since the government could have printed the money. In the second case, the use of the funds is harmful since it leads to inflation and causes submarginal projects to be executed at the expense of better ones.

This is the purist position, but a proviso should be added in both cases. In the former case, there may be legal or administrative reasons why the government cannot print money or otherwise obtain authority to pay for the local cost, even of a proper non-inflationary program. In such circumstances, the use of counterpart funds can avoid the legal difficulty. In the second case, it is of course possible

that the additional project squeezed in by the use of counterpart funds is better than the project it displaces. It is also possible that the inflationary pressure generated by the additional projects helps to add to the total volume of investment. But these are clearly secondary possibilities. Essentially, the use of counterpart funds for these purposes is either unnecessary or harmful.

One particular case where the use of counterpart funds in new development projects becomes more meaningful must be mentioned. If the original food aid has not been effectively used to enlarge investment and promote development in the receiving country, the arrival of the surplus food will depress agricultural prices and may discourage the local farmers. In that case the intended aid would have done more harm than good. The subsequent use of local counterpart funds for additional investment may then serve to re-employ the local resources that have been put out of action by the unintended harmful effect of the original aid, and it may serve to raise domestic food prices back to the level where they would have been if the aid had not arrived and had not backfired in the first place. This is a rather faint justification for the use of counterpart funds since it applies only where the original aid was not properly organized and had harmful effects. Even in this case, of course, the compensating benefits of counterpart fund expenditures could also have been achieved by printing the money.

PROVIDED THE REAL (or rather unreal) nature of counterpart funds is clearly understood, they may be a useful device for keeping the aid-giving country and the aid-receiving country in contact with each other. Strictly speaking, of course, between two friendly and rational countries there should be no need to set up counterpart funds so that their subsequent disposal might provide an opportunity or pretext for continued contacts and discussions. Such discussions may be helpful, particularly if they lay the foundation for continued cooperation and possibly renewed acts of aid, and generally maintain that atmosphere of friendly cooperation which the aid relation is presumably intended to promote. But all this does not in any way substitute for the necessary contacts and co-operation at the time the aid is provided, since the effectiveness of the aid is determined at that earlier point and not when counterpart funds are used.

Moreover, if the function of counterpart funds is understood as merely to provide an occasion for subsequent contacts, this again may cut both ways. If the subsequent contacts are of an unfriendly nature and lead to mutual irritation, the benefits of the original aid act may be undone rather than followed up. There is nothing more irritating to sovereign governments than having to discuss with others the use of "their own money." These dangers can be avoided only when both sides are sophisticated enough to know what they are talking about when they discuss the "use" of counterpart funds.

Insofar as the counterpart funds are used for specific projects, as is often the case, rather than for general budgetary support, in fact the illusions of the project approach may be added to illusions about the real nature of counterpart funds. The project approach is itself basically illusory since whatever the project label may be, in fact aid finances not the project that provides the label but the marginal project in the total investment picture of the country, that is, the project that would be cut out if the foreign aid should not materialize. Like the use

of counterpart funds, the project approach may be a useful device in spite of its basically fallacious nature provided both sides are aware of the underlying illusion. When the "use" of counterpart funds for a specific development "project" is under discussion, the problems of escaping the double illusion involved become very difficult.

The preceding discussion has dealt with the use of local counterpart funds only insofar as these funds are used for the benefit, real or at any rate intended, of the aid-receiving country. That part of the counterpart funds that is used for local expenditures for which otherwise dollars would have to be used—such as expenses of US embassies abroad—has not been considered in this note. Insofar as local counterpart funds are used for such purposes, that part of the food aid of which they are the counterpart obviously should not be treated as aid but rather as trade.

In conclusion, if local counterparts are to be used at all the important thing seems to be not to have any illusions about their nature and to try to give them a decent burial while using the occasion for such incidental advantages as the counterpart funds technique may offer. ☘

## *Backbone of international development*

# ENSKILLING PEOPLE

ALBERT & ROSALIND LEPAWSKY

THERE IS GRAVE CONCERN in knowledgeable circles today about the outcome of the international technical assistance effort. Though national income is increasing in underdeveloped countries, few have so far experienced that sustained economic "take-off" which differentiates underdeveloped from developing societies. Improvements in social welfare and health programs are reducing mortality rates, but the accelerated growth of population prevents per capita income from rising. On the governmental side, although the underdeveloped nations are clearly improving their bargaining power in international politics, they are not stabilizing fast enough domestically to grasp the reins of state as their cultural cohesion slackens.

In short, despite all the current accelerated efforts to assist the emerging nations, there is a distinct possibility that internal distress may continue to plague them, that international aid may bog down, and that the elaborate technical assistance program we have built up may be left nibbling away at the edges of a chronic underdevelopment that continues to threaten world tranquility. More than ever, therefore, we are now compelled to examine our existing aid efforts critically and discover more effective alternatives for the future. Otherwise, the public and politicians in all countries may lose heart over what is still a popular but as yet unproven world crusade.

In the urgent search for relevant solutions, one of our past failures is now becoming apparent. We have done too little and have been too slow in helping to train technicians, prepare professionals, educate officials, and teach the people of the underdeveloped countries how to organize their own resources and build up their institutions.

We may, in fact, be at a major turning point in technical aid policy-making. Those in the developed countries can if they wish continue to lend money abroad, encourage foreign agricultural productivity, stimulate construction of dams and utilities, survey unexploited natural resources, ship prefabricated industrial plants, help plan entire economies, and send teams of technical experts to conduct all these activities. But unless the people in the newly developing nations learn to man their own enterprises and manage their own affairs, the development process will die as soon as outside aid is withdrawn. Consequently, international training and education for human resources development is a crucial component of the entire technical assistance process.

This is not the first time that disadvantaged men have sought guidance where the lamps of experience burned brightest. But now, for the first time in history, the more developed nations have agreed to take the initiative and to accept the responsibility for raising the technical standards and the educational level of the rest of mankind. And if we proceed with due deliberation in the field of international training, the really startling phenomenon of our day may turn out to be, not the scientific advances of superpowers obsessed with space exploration, but rather the upsurge of technologically trained masses in the underdeveloped lands.

### Role of Training in the Development Process

TRAINING AND TEACHING of some sort has been part of international technical assistance programs from the outset. This accounts for the rise, as part of almost all aid programs, binational as well as multinational, of the system of assigning senior "counterparts," junior "trainees," advanced "fellows," and students of all types for education and training in the various technical skills and professional tasks that confront their developing societies. Yet even where proportionately most weight has been given to training, that is, in the United Nations aid programs, including the work of the Special Fund and the Specialized Agencies, training now consumes less than one-fourth of total technical assistance expenditures.

The panel of experts who formulated the Expanded Program of Technical Assistance as early as 1949 had foreseen the importance of training. Referring to "the gap between the most and the least developed countries" as "one of the most significant and alarming aspects of our contemporary society," they pointed out that "it has tended to become progressively wider in recent decades; for the most advanced countries, by reason of their progress, have an important advantage over the retarded ones. Their higher levels of output and better economic organization make it easier to accumulate capital for further development and to direct it into productive channels. The existence of highly developed and differentiated industry and agriculture automatically provides the best kind of training facilities for managers, technicians, and skilled workers, and each technological advance helps to stimulate further inventions."

According to this discerning analysis, therefore, the two main requirements for sustained development are an accumulation of capital and a reservoir of trained skill and labor. Traditionally there were three basic factors of economic productivity and development—capital, labor, and land; and, notwithstanding our "capitalistic" orientation today as we interpret the classical literature, the labor or skill factor was originally emphasized. "The Division of

Labor" was the first chapter of Adam Smith's *Wealth of Nations*, and its very first sentence refers to "the productive powers of labor" and "the skill, dexterity, and judgment with which it is anywhere directed or applied." Today, most of the newer countries are fairly well endowed with land or natural resources as a factor of production, but they suffer from a lack of the other two essential factors, namely, skilled labor and capital resources.

Which of these should be given greater emphasis? Without downgrading the importance of development capital, which is, of course, vital, the answer may be found in the decisive fact that a developing nation's capacity to absorb capital is often limited by its supply of technical skill and managerial talent. That is why a crucial kind of aid for most newer nations is technical and vocational education, scientific and managerial training, and the broadening of human talent generally. To use a phrase coined by Abu Bakar Abdalla Hamid, one of our United Nations fellows from the Sudan (and Inspector of Traffic in the Khartoum Police Force), the solution lies in "enskill people."

The objectives of training are twofold: first, fulfilling the vocational needs of the trainee; secondly, promoting his country's development plans. Both help to augment the status of the new skill-groups, resembling the former middle classes of the advanced nations. In countries that incline toward the economies of collectivism, where the freedom to amass private property is necessarily restricted, trained skill imparts a special sense of personal possession in lieu of property. It is axiomatic that in a world of competing philosophies, the form of development that counts most is that of men and women who, individually and collectively, are capable of navigating the tumultuous seas of a world in flux.

So far as the status of the individual is concerned, international training represents a great paradox. World organizations like the United Nations are supposed to deal primarily with independent nations or member states, and especially to keep the peace among them. Although this strategic function of the United Nations is now undergoing a severe test, its other major function, that of ameliorating the social and economic circumstances of the newer member states, is being moderately well handled. But with respect to the comparatively unforeseen phase, that of training and educating member-states' individual citizens themselves—a function that represents action not upon nations but rather upon their individual subjects—there is even more progress and greater hope. It will be a strange but gratifying reversal of world history to discover that education, one of the latest responsibilities assumed by the nation-state, is becoming a primary function of the emerging world order.

Within the underdeveloped countries themselves, training is one of the most acceptable forms of international aid. Although their governments are quick to request technical assistance, when the time comes for them to carry out the concrete recommendations made by international experts, they often react as human beings generally do toward gratuitous advice. Even the least developed countries tend to treat foreign counsel cavalierly, unless they actually pay for it or can be made to feel that they are initiating the proposed change themselves. This reluctance does not, however, apply to the teaching or training services offered from the outside. On the contrary, international training is one of the most popular forms of technical assistance.

So far as the actual impact upon development goes,



training performs the constructive purpose of distributing technique and talent widely among all levels of government, business enterprise, and social organization. It thus helps to spread responsibility, decentralize power, and broaden opportunity within the newer nations. The stimulating impact upon productivity and policy-making that results from such a widespread build-up of trained talent is invaluable to the sustained development of a rising society.

### Development Planning and Manpower Investment

IF TRAINING IS TO BECOME the backbone of international development, we must face up to the prospect of having to spend much more of our technical assistance funds for this purpose. In terms of ultimate costs and consequences, training might conceivably displace the more expensive grants and gifts that characterize other forms of technical aid.

The actual substitution of skills for dollars in the developmental planning and domestic budgeting of the newer countries was proposed by Professor Eugene Staley of Stanford Research Institute at the 1960 Seminar on "Training of personnel from developing countries under international technical assistance programs," conducted in Vancouver, Canada, by the Regional Training Center for United Nations Fellows. Professor Staley suggested that instead of undertaking, let us say, a \$10,000,000 capital investment plan, a developing country might consider adopting a 10,000 "trained-man" program. Like a financial budget, this manpower budget could then be broken down into the required categories of trained skill.

Already, United Nations officials have worked out other "manpower investment" standards that might, with further refinement, help budget and plan required training facilities, both internally and internationally. In the field of public health, for example, there is a preferred ratio of doctors per 10,000 population. Although who has not yet agreed upon an accepted norm for the developing countries, FAO has worked out a global requirement of 200,000 professional foresters, compared with only 40,000 now available. The FAO standard is based on the ratio of one professional forester per 10,000 hectares (25,000 acres) of forest land. Similar calculations can be applied to the whole range of personnel in whose training the underdeveloped societies must invest liberally. United Nations Special Fund director Paul Hoffman reported to his governing council in May 1961 that the developing countries now urgently need to train a total of 1,000,000 top-level administrators, professional personnel, business executives, middle-level administrators, and supervisory personnel.

But training in relation to international technical assistance must also include a solid educational base on which to build the required skills of a developing society. That a balanced system of education and training for all levels of talent and skill is essential has been demonstrated in the Congo crisis.

The plight of the Congo was not caused by economic shortages of natural resources or capital funds. This heartland of Africa had plenty of cultivable land, rich forests, varied climates, and ample power sources; and the influx of foreign capital had helped it to become one of the world's leading producers of the strategic metals and minerals, copper, cobalt, and uranium. The Congo's main trouble, it might be cogently argued, was social, tribal, and political instability, aggravated by the premature withdrawal of Belgian control. It so happens, however, that the

Congolese themselves did not choose to recognize colonial rule as a stable form of government. The Belgians had given them considerable training and experience at the clerical and vocational level, but they had been deprived of the prime requirement—trained leadership to conduct the government, manage the economy, and administer the public services.

Realizing that their own trained talent was their principal need, the new government in the Congo at one stage established a caretaker cabinet of young intellectuals under the revealing title of "College of High Commissioners." Most of the Commissioners were recent graduates of Lovanium University, occupying an impressive campus on the edge of Leopoldville. This six-year-old institution possessed such extraordinary facilities as Africa's only nuclear research reactor and a 400-bed clinic. Yet the status of the Congolese High Commissioner for Health was still that of a medical student.

Poor programming and improper timing had thus robbed the new university of its chance to be of maximum service to the young republic in its time of crucial need. But even had higher education been properly planned, the total training problem would still have been a stupendous one. This was amply demonstrated by the harsh experiences of both Robert Gardiner of Ghana, the United Nations public administration consultant in the Congo, and Derek Singer, who headed the United States training program there. (See *International Development Review*, Vol. III, No. 2, June 1961.)

### Selecting Priorities for Subject Matter

THUS THE MAIN QUESTION recurs, "Education for what and training of precisely what kind?" Admittedly, developing countries need a well rounded system of primary, secondary, university, vocational, and professional education. But if training is to spark the technical assistance process, preference and priority will have to be given to selected skill-groups. Although the precise choice of training priorities will vary with national needs, all developing societies have to fill certain broad categories of personnel: technicians and technologists, managers and administrators, teachers and trainers.

An adequate supply of vocationally trained technicians and scientifically educated technologists is difficult enough to attain in advanced countries, as the elaborate American want-ad pages reveal at times of even lax employment. Continuing technological unemployment accounts for the fact that one of the main provisions of the recent depressed area legislation in the United States is grants for vocational retraining of displaced personnel.

For similar reasons, a properly proportioned system of vocational and scientific training is a special need of the underdeveloped countries. In some, there is already a surplus of generally trained college graduates without jobs, and worse still, a shortage of specialized training institutions that they can attend. Egypt, for example, now has a greater proportion of university students than England, but her unemployment problem is most severe among her educated classes, and she lacks both vocationally and professionally trained people of various kinds. Israel, on the other hand, with her highly educated refugees, has a surplus of doctors and scientific researchers but a shortage of laboratory technicians.

In fulfilling such training needs, international technical assistance administrators have already accepted the fact that the reputed technological primitivism of under-

21 developed people is a myth. Insofar as the supposedly butter-fingered native technicians may be concerned, the situation may actually be the reverse. Not only are mechanics in underdeveloped countries comparatively eager learners and capable workers, but their skills are sometimes more varied and adaptable because they must often fabricate parts and improvise gadgets instead of having access to well stocked supply rooms full of standard replacements. Similarly, it is now clear that people in the developing societies are entirely capable of learning to master the complexities of business management and the responsibilities of the administrative state.

That training for managerial and administrative expertise is essential for economic and social development, however, has only recently been fully realized.

In a revealing memoir about the business stage of his public career, interrupted by the outbreak of World War I, Herbert Hoover reported: "I had our principal offices in San Francisco, New York, London, Paris, Melbourne, Rangoon, and St. Petersburg. We were a management engineering group directing many mining and metallurgical enterprises with railway and shipping adjuncts; our forte was doctoring of backward enterprises by use of the American technological and administrative methods. At one time or another we had been so engaged in eighteen countries."

By contrast, it is apparent today that one of the most fruitful forms of international development is the bolstering of governmental agencies and administrative authorities in underdeveloped countries, rather than concentrating on their sagging enterprises and failing firms that happen to solicit American management skills. After all, these countries are achieving independence in a changed historical setting, in which proficient public servants often play a larger role than the skilled managers of the private economy. Perhaps what the currently developing nations may need most in this regard is a common form of administrative training for the leaders of both their economic enterprises and their government agencies, especially those dealing with development policy and economic planning.

Meanwhile, the profound wish of the developing countries is for mature and responsible politicians and public administrators. Not all the underdeveloped countries draw a fine line between skilled political leaders and trained civil servants. But they are as distinctly aware as we of the need to eliminate politics from administration. Some even look skeptically on the inscription on Ghanaian President Nkrumah's famous statue in Accra, which reads, "Seek ye first the political kingdom, and everything else shall be added unto you." The young Nigerian diplomat, P. C. Asiodu, has urged rather "a crash program for training in both the process of policy-making and the organization of administrative services."

### International and Indigenous Training

JUST HOW TO PROVIDE the teaching experience required for the training function remains a major international challenge. At present, the developed countries are themselves suffering from serious educational defects, and their existing training facilities are taxed to the limit. Export of teachers to the underdeveloped countries and influx of students from these countries merely intensify an already worldwide educational crisis.

In the United States, some 65,000 persons from abroad, classified as scholars, students, participants, exchangees, or trainees, are accommodated annually in universities, colleges, technical institutes, or specially organized training

courses. In addition, hundreds of VIP's and other visitors of all kinds clog, but also charm, the crowded calendars of our busiest and best business executives, professors, scientists, and public officials, in a continuing search for up-to-date practices and techniques of their various trades and professions. The bulk of these visitors and trainees come from underdeveloped countries, but so important a role does international training now play that many come from the developed countries as well.

About 50,000 of the foreign trainees in the United States are enrolled at educational institutions, generally as regular undergraduates but often as graduate, professional, or special students of engineering, agriculture, medicine, science, and other basic subjects. The remainder represents a variety of key personnel, already basically educated but on leave from their technical or junior positions or from middle or higher executive posts of the civil services or of economic enterprises in their developing countries. For their rising responsibilities at home, these people are being quickly but comprehensively trained in on-the-job, in-service, fieldwork, and other carefully tailored courses offered in American governmental agencies, industrial plants, scientific laboratories, and business firms.

The annual number of foreign trainees in Great Britain is approximately the same as in the USA, and the number handled by other British Commonwealth countries under the Colombo Plan is mounting steadily. In the combined countries of Western Europe other than Britain, the number of foreign trainees now actually exceeds the American figure. Russia currently accommodates about one-fourth of the American total, inclusive of the new Soviet Friendship University's first annual contingent of 500 foreign students. About one-half of the Soviet's foreign trainees have been coming from China. And China, at her own crowded institutions, has now assumed the task of training students from some of the neutralist as well as the communist countries.

These competitive maneuvers of both friend and foe in the realm of international training might, with proper provocation, shift the scene of the hot and cold wars from the battlefield to the college campus.

But overshadowing even this interesting international trend is the growth of on-the-spot training within the underdeveloped countries themselves. Educational institutions and training institutes in the newer countries are developing more rapidly, conform to higher standards, and apply sounder teaching methods than is generally appreciated. Indigenous training now compares favorably with international training for another reason: it is usually more in tune with the native culture, more relevant to development needs, and more productive of the skills required in the emerging countries.

Although foreign educational institutions will continue to beckon, the developing nations will be carrying more of their own training load sooner than anticipated. The rise of indigenous training helps explain why, despite the continuing demand for international training generally, there seems to be a declining number of United Nations fellowship applications from some countries in certain fields. The decline may also be explained by the fact that promising personnel are so few in the developing countries that they cannot be spared for educational leave abroad. Perhaps, therefore, we shall have to more quickly evolve forms of training that will permit the developing nations simultaneously to retain their best talent and to train them on the spot.

One rich source of indigenous teaching talent is the growing crop of recently returned trainees. Upon reentering their assigned duties, the most qualified of them sometimes undertake to transmit their newly acquired knowledge to subordinates and colleagues. Although more might be accomplished if they were also taught teaching methods along with their substantive subjects, returned trainees are often effective teachers because they know how to fit the shoe. One Indian cabinet minister was so convinced of this that he decided to disapprove all applications for educational leave unless trainees agreed to undertake substantial teaching duties upon their return.

Helpful though this multiplier factor may be, there is a more promising trend in international training today. This is the feedback from the trained talent of one underdeveloped country to another. Under United Nations technical assistance, about one-fourth of the trainees are now assigned for training to other "underdeveloped" lands, because there they encounter some of the best and most convenient training facilities. Trainees in specific fields are now beginning to gravitate to Brazil in Latin America, Egypt in North Africa, and the Philippines in the Asia region. Developing Israel maintains an active and popular service of international training and technical assistance of her own. Even for the most sophisticated technical studies, such as social statistics or econometrics, international training administrators often prefer to assign trainees to countries like India, whose newer institutions and experts now excel in teaching and research in these fields.

In the future, developed countries may be expected to limit most of their efforts to the higher level technological courses, "refresher" training for professionals, postgraduate education, and the training of advanced researchers and university teachers. Meanwhile, we are at an intermediate stage, during which the universities of the developed countries are helping the newer institutions to

establish their own professional schools, modernize their academic departments, and train their new faculties. These comprehensive technical assistance services to higher education in the developing countries are provided, under the United States aid system, through government-financed university-to-university contracts, which last year numbered 104 and involved over 57 American institutions. The much earlier European version of this university-to-university device included the grant of privilege to "colonial" universities that met the required academic standards to award "external degrees" of the "mother" university.

### The Benefit Works Both Ways

IT IS NOW, HOWEVER, the developed countries themselves that are beginning to benefit in an extraordinary way from international training. Some 2000 faculty members from American universities, including Fulbright professors, work or study overseas annually. This outflow of American scholars is beginning to balance the inflow of foreign scholars. Moreover, professors from the developing countries are increasingly being assigned as faculty in the developed countries. They now embellish the lecture platforms and seminar rooms of many American and European institutions and are frequently the cream of the crop. Reciprocally, teachers and trainers in the developed countries, confronted by some of the most able students and eager trainees underdeveloped countries can send, are compelled to distill their own knowledge and clarify their ideas as never before. (See Robert Solo in the *International Development Review*, Vol. III, No. 1, February 1961.) Thus from this international network of training and teaching there is emerging an enriched store of intelligence for a changing world in which the distinction between developed and underdeveloped nations is beginning to dissolve. ☞

## NEW DIRECTIONS FOR PUBLIC HEALTH

### *A reappraisal of needs and practice*

ABEL WOLMAN

ABOUT A HALF CENTURY AGO Dr. Biggs of New York coined the happy phrase that "Public Health Is Purchaseable." The public health worker has rested upon this appealing and convincing aphorism as his principal guide to action. In the United States, with at least high material resources, accompanied increasingly by a matching public health conscience, the guide was and is reasonable and effective. Here, competition for money among functional requirements is ever present but certainly less acute and stringent than in many other countries.

The place that health activity should take is reasonably assured. Services are theoretically at least in balance, even though not yet fully meeting all requirements in perfect

mathematical adjustment. Appraisals will continue in order to make the best use of increasing funds. Such evaluation should be a necessary daily task of health officer, medical practitioner, nurse, and engineer.

This relatively happy application of the Biggs formula, however, encounters difficulty when one moves into the international field in general and into less developed countries in particular. There we increasingly find severely limited national resources of both manpower and money and stressful competition for even those limited resources. In the social revolution in which we now live, it is not only bread that man demands but good health, transport, industry, power, houses, schools, and recreation. And he is unwilling to wait for these amenities when they are provided at much too leisurely a pace.

The implications for the health worker in this new arena of competition are manifest. The scene confronting him is well exemplified, with a minimum of statistical boredom,

EDITOR'S NOTE: This article is based on the author's statement at the opening session of the third annual conference of SHW, Washington, 28 April 1961.



in the following excerpts from a comment early in 1961 by Dr. Mani, Director of the who regional office in New Delhi. With minor adjustments, the observations are equally applicable to millions of people elsewhere.

His comments, quoted from *World Health*, January-February 1961, are:

"The health problems of South East Asia are as vast as our region itself, which must support 560 million people, about 80 percent of whom live on the land. India alone has half a million villages. Merely to put one simple sanitary well with a small hand pump into each of these villages would cost 70 million dollars. This is three and a half times what who will spend on its work throughout the world during 1961.

"In spite of facts like these, despite competing calls on slender resources, and despite the crippling shortage of trained workers, the governments of this region can be proud of the health progress that has been made in recent years against such heavy odds. But they, and we of the South East Asia Office of who, must measure successes always against what remains to be done. For instance, we can tell ourselves, with some pride, that about 256 million people in our region are protected against malaria by insecticide spraying. But we know that this is little more than half the number who live in malarious places. In the whole of this great region there were in 1959 only 40 reported cases of typhus and not a single death from the disease. But in the same year two countries yielded a total of 22,600 cholera cases, resulting in almost 6,000 deaths. The diagnosed number of leprosy cases in five regional countries is around 380,000. But at the back of all our planning is the knowledge that careful estimates put the actual number at more than two million."

### The Need for "Illumination of Choices"

Whether one likes it or not, public health work is being and will be subjected to tests for justification. If these are not made by the health worker, then they will be made, certainly and reasonably enough, by the political statesman, the economist, the sociologist or the anthropologist. The primary question is a simple one: does health work pay, and its corollary, in what coinage?

The issue may be met in two ways—by sheer resentment at the insult of asking whether peoples' lives should be saved, or by testing present and prospective action by such criteria as may be conjured up or conscientiously developed. Historically, the prevention of disease and the promotion of health have been considered both "necessary and good." After all, what is a country but a collection of people, for whom one desires a higher standard of living? What more valuable resource can a country develop than its human one? These rhetorical questions undoubtedly satisfy the idealist, the humanitarian, even the politician—until one reaches the poverty-stricken minister of finance.

He who is responsible for the distribution of money lives in a world of scarcity, regardless of social or political ideology. He is daily confronted with the necessity for making choice and giving priority. In his search for the "illumination of choices" (so apt a phrase of Eugene R. Black's, in *The Diplomacy of Economic Development*) he turns to, among others, the health officer.

The professional follower of Aesculapius and Hygiea, once he has recovered his equilibrium, rushes to the humanitarian justification of saving lives per se. He invokes the modern image of that great Christian, Dr. Schweitzer, bearing the torch of humanity for all to see.

Or he equates lives saved or debilitation rescued into the coin of the realm, by less than convincing dollars, yen, or rupees, while the countries are already overwhelmed with surplus mouths to feed.

In self-defense, he also falls back on the social significance

of disease reduction and the creation of self-respecting vital citizens.

As to the impact of his efforts upon the economic progress of his country, hitherto he has contented himself with the generalization that a healthy people make a healthy nation—and, axiomatically, a healthy nation makes a prosperous nation. Pushed to this final wall of economic pursuit, he wishes some benevolent goddess would exorcise the pursuing economic devil.

The arguments here presented and gravely oversimplified will not be sufficient in their strength and perhaps even in their validity to stand the necessary tests for the "illumination of choices." Competition for money, people, and time will increasingly press for new appraisals in the health field. Not the least of these pressures is already coming from people throughout the world who feel strongly that the promised land to be sighted in 1990 is too far away. The health worker, never a peddler of panaceas, does have the obligation, however, of confronting himself with a new and pressing world in which his budget dollar must be stretched over the areas of greatest promise and potential. The political, emotional, and leisurely devotions to functions of least dividends cannot and must not be eliminated, but they must be realistically evaluated, probably reduced, and certainly reoriented. Essentially, reappraisal does mean a recognition that public health work as now practiced will not remain so sacred that it cannot be questioned or assessed.

Western policy and practice may or may not be valuable guides for undeveloped countries. Close scrutiny for adaptation is obviously required. It is surprising, however, that long-tested principles and practices evolved in the western world have been so often ignored by western workers because they have erroneously assumed that such practices are "culture-bound" only to the United States, as Henry C. Bush pointed out in the *International Development Review* of October 1960.

The lesson, hitherto emphasized by some cultural anthropologists, that indigenous cultures should be respected and hence untouched has been too well learned by our exported western professional. As a matter of fact, almost every modern precept of public health activity requires a cultural change. Even the introduction of the lowly privy requires significant change in ancient habit and custom. In change, intelligently adjusted to the national soil, lies the future hope of real public health progress. Fortunately, experience is teaching us that change does occur with surprising rapidity of acceptance.

The status quo, culturally, politically, and economically, need not be sustained in the field of health. What reorientations in public health planning and practice should emerge in the immediate future? These might well be in some contrast, at least, with the past, so as to produce more significant values more rapidly in each country.

One of the prime objectives of the world statesman today is to raise the standard of living of each country to a level of modern decency. Many routes need to be traveled to accomplish this. Time, in these days, cannot be too long in building and strengthening such routes. In what way does or can the health worker facilitate this aim? The facile offer to provide healthy people, of all ages, everywhere and for every purpose, falls by the weight of its own generalization. Neither money, time, nor personnel are anywhere visible for many decades to come to accomplish all these objectives simultaneously. Again, whether he likes it or not, he must choose to avoid "devaluing the public

24 health dollar" (to borrow another phrase from Mr. Black). Some of these adjustments in choice are discussed here.

### The Appraisal of Public Health Necessities

WHERE A COUNTRY HAS ALL DISEASES—OR as one wise doctor expressed it: "You name it, and we have it!"—some may consider it a waste of time to choose among them. In reality, in such a case, selection is a necessity, not a luxury. Without selection, men and money resources will be dissipated.

Although many examples of conscious choice may certainly be listed, many more are at hand where program is more amoeboid than specifically oriented. Repetition of historically fixed policy is simpler than, but not synonymous with, selection.

If criticism forces stock-taking, then it should be welcomed. It is surprising how few truly systematic health surveys have been carried out in the world as prerequisites to continuing action. (See Karl Evang's "Health Service, Society and Medicine," 1960.)

### The Rural Fixation

IN ALMOST EVERY COUNTRY, the tacit policy has been to focus the use of scarce public health forces upon the village. An intriguing essay might be written upon the definitions of village, for it varies from country to country. It appears to have little relation to density or geometry of living. In some countries it was once legally defined as concentrations of people in one village numbering less than 5,000. Later, this figure was raised to 10,000 to make such groups eligible for central public works grants.

In many so-called villages, the density of living is as high as in the Pittsburgh metropolitan area. Perhaps the only common denominators of such population groups are their vast number, their agricultural pursuits, and their great geographical scatter and often equally great inaccessibility to centers of government. The most significant feature is the emotional devotion in every country to the "rural problem"—a compound of nostalgic heritage and political sensitivity.

It is discussed here primarily because this focus on the rural, to the literal exclusion of the urban, is still emphasized in the present era of unprecedented urbanization and industrialization throughout the world. The choice of the rural battleground for disease prevention is a choice of the most difficult possible logistics. It runs contrary to all precedent of public health history in assuming that sanitary practices move from the farm to the city. The choice of using the public health dollar for the minimum return could not have been more aptly made.

Does this mean that one can ignore the rural peoples? It certainly does not! But, within the framework of scarcity of men and money, the urban area offers the greatest return in reduction of disease per unit of energy and ultimately the greatest source of inspiration to the village. Such urban emphasis is long in arrears. It should not exclude the rural, but it should not be overshadowed by it—as has been the case in many countries.

The wide use of the general term "rural" deserves a detailed scrutiny when public health or any other strategy is being planned. The professional geographer perhaps has a greater awareness than the health officer of the wide variation in density of living in rural areas, even in a single province or state. The classification "rural" conceals vast differences in environmental influences, all of which are essential determinants of public health policy.

25 Professor Ahmad of the University of Ranchi, India, makes this view abundantly clear in his recent paper on "The Rural Population of Bihar." The distinction is marked between high degree of rural crowding and sparse living, with density categories running from under 300 to over 1500 per square mile. The higher figures approach or exceed those of many metropolitan areas in the United States. The salient question is whether the health officer ever teams up with the geographer.

### The Inevitable Restriction by Centralism

ONE OF THE MAJOR RESTRAINTS upon public health services lies in the deadening hand of central government. Here I speak, not of political or ideological aspects of centralism but primarily of the almost universal concentration of sources of money, policy, and management in the capitals of great and small countries. The historical bases for such central responsibility are clear—and they served their purposes well in the evolution of society.

Today, the central government is increasingly burdened by the multiplication of local requirements. Twenty-five years ago the central government was responsible for four or five functions at most. Today, in one typical advancing country, this number now exceeds thirty.

Rehabilitation of local autonomy and responsibility is particularly essential in health work, if for no other reason than that central government resources are rapidly becoming scarcer and scarcer. The public health claim on them runs increasingly into competition with other functions, many of which do not lend themselves too easily to local decision, finance, and effectuation.

The latent strength of local support is surprisingly great, if intelligently tapped and persistently nurtured. Excellent examples of such potentials are beginning to appear in some countries—for example, India and parts of South America. The health officer's awareness of these opportunities is perhaps the key to his future success. It is more than an easy aphorism that local initiative thrives upon encouragement and recognition.

### The Evaluation of Economic Impact

ONE OF THE MOST DIFFICULT TASKS now confronting the international worker is to assay the effect of his activities upon the economic advance of a country or a region. Standards and criteria for such appraisals are difficult to come by, whether in education, health, or agricultural pursuits. That economic impact must remain a significant element in programs, however, should be reasonably self-evident.

Resistance to measuring health work in particular by its assumed or real influence upon the economy of a society stems, of course, from man's continued insistence upon saving lives and strengthening people as a just measure of the general dignity of man. It is not incompatible with human dignity, however, to measure accomplishment in a less than Utopian world, in part by the raising of living standards.

Difficult as this area of inquiry may be, adventures into it, in the immediate future, will proceed apace. Measurements will evolve, relative values will emerge and public health practice will be oriented in part to enhancing the total productivity of society.

A necessary consequence will undoubtedly be the development of more imaginative and ingenious devices for the financing of public health programs. Many of these lag or fall by the wayside because their self-supporting and

self-generating fiscal features have remained static for a century. Their failures are not always due to limited local resources. Often the latter are untapped.

### Influence upon the Structure of Government

A WORD MUST BE ADDED on the significant values a health officer may contribute to the strengthening of the sociopolitical organization of a country. This is possible, however, only if he is aware that the mechanisms at his command can and should be used to stimulate local consciousness and responsibility. The federal or state health officer, for example, who uses the grant-in-aid only as a gracious political largesse, misses the subtle opportunity of using

this same device to stimulate local growth, to elevate standards of performance, and to entice local financial resources into increasing support for health services.

The creation of voluntary or official mechanisms can result from an imaginative health officer's awareness of the significance of permanent social organization. Unfortunately, examples of such influences upon government are not many. They must be multiplied, because without them public health progress unfortunately will be too slow.

Patterson, an astute observer of the Latin American scene, phrases the situation well when he says the provinces "must cut the umbilical cord to the nation's capital." ☛

## Can we make a palatable industry-government blend?

# RECIPE FOR INTERNATIONAL INVESTMENT

MENDON W. SMITH

GOVERNMENT TO GOVERNMENT grants and loans are an inadequate response to the problem of efficiently transferring capital from the United States to underdeveloped countries. They are politically ineffective at home and often economically ineffective abroad. We need a new approach that will be politically attractive in the United States—sufficiently attractive to lead to a really substantial increase in the outflow of capital—and that will create viable economic ties between the United States and the underdeveloped countries.

Development loans have some built-in disadvantages. The obvious one is the likelihood that they can never be paid back. The underdeveloped countries need equity capital, that is, permanent capital that will stay in the country. Very few capital investments are so productive that they will earn sufficient foreign exchange to pay back the full capital and interest cost in any reasonable number of years. Even if some individual projects might meet this test, the necessity of using foreign exchange to pay us back instead of for other vitally needed imports will cause considerable ill will. When the time comes, most of our "loans" will be forgiven, but we will not be thanked for our generosity. The necessity for asking for cancellation will gall our debtors.

Government loans and grants have another major and very practical drawback. They lack Congressional support. Every year it is the same story—bipartisan support by the executive and leaders of both parties but strong grassroots objections. I happen to live in one of those areas where the "man-in-the-street" objections are violently strong. I do not believe that this feeling is going to change rapidly. "Gift, loan, grant," are all red flags to those who see nothing but a huge outflow of their dollars with nothing to show for it. These feelings are naturally reflected in the attitudes of the representatives who are elected from these areas. Unless the general political system of the United States is substantially changed there will remain in Congress for many years a strong opposition to such programs.

If government grants and loans have such rough weather,

can we solve the whole problem by leaving it to private enterprise? Private foreign investment offers several healthy alternatives to public loans and grants. Private investment is primarily equity investment. This is important. Equity investment does not have to be liquidated. There is no contractual obligation to pay interest and dividends. While it is essential that the investment be productive over a period, it is understood by both parties that in periods of economic strain no dividends need be paid, while in periods of prosperity there may be good dividends. It has been the custom, both at home and abroad, for private companies to retain and reinvest in the business substantial amounts of earnings. In this way the initial investment is increased importantly with no strain on the economy or foreign exchange position of the underdeveloped country. Equity investment has important theoretical advantages over loans and grants.

In addition, it has important qualitative advantages over public loans and grants. A dollar of private equity investment is likely to be much more fruitful than a dollar of government money. This is clearly described by the National Planning Association in *The Political Economy of American Foreign Policy*:

"Direct private investment of the latter kind is capable of building relationships between the industrial and the underdeveloped countries which are organic and continuous. It usually involves relations between people, not governments; relations which become integral parts of the economic and social fabric of the recipient country. It normally carries with it the technical knowledge which is

EDITOR'S NOTE: Some months ago Mendon Smith set us a book-length manuscript, which at our urging he subsequently condensed into this article. "I never knew how hard it was to edit until I tried this," he wrote. "In cutting some 70 pages to 9, I have had to eliminate several areas of discussion entirely." For some 10 years Mr. Smith has been trust officer of the First National Bank & Trust Company of Ithaca, New York. Prior to that he spent 5 years in investment research with the City Bank Farmers Trust Company of New York. "My record is sadly lacking in either academic credentials or international experience. I am an interested amateur only. AB degree from Harvard 1946; graduate of the Stonier Graduate School of Banking at Rutgers University 1960. The original study on which this article is based was written as a Stonier thesis."



as sorely needed in the underdeveloped areas as are capital funds. Such continuous and often cumulative transfers of capital and technology under private auspices are much more likely to result in durable capital assets and permanently absorbed technological innovations in the underdeveloped countries than are publicly financed investment and the intergovernmental technical assistance programs with their necessarily limited scope and short term character.

"Direct, long term private investment fosters in various ways the growth within the underdeveloped countries of a constructive middle class and habits of private, decentralized decision-making and enterprise. . . . Both the cultural backgrounds of many of these countries and the nature of the internal difficulties and external threats which they now face are strongly conducive to centralization of initiative, decision-making and control in authoritarian governments. If liberal values compatible with those of the West, and indigenous institutions capable of realizing them are ever to evolve in Asia, Africa and Latin America, it is necessary for alternative modes of choice and action to be increasingly available within these societies. By precept and example, as well as by actually involving growing numbers of local people in privately directed economic activities, private foreign investment can help to foster democratic patterns of decision and action in the underdeveloped countries."

THIS IS AN ATTRACTIVE siren song, and many have been tempted to leave it at that. It seems clear to me that it will not work. Private foreign investment which is not guided and intensified by government help will be too little, and in the wrong place. The tendency of private investment is to seek the safest place with the greatest return, which may not at all coincide with the most desirable area from a political point of view.

The argument generally runs, (1) we must invest more abroad to save our political hides; (2) private sources will not come through fast enough; (3) we can't wait; so (4) public resources must be used via public agencies. Even more crudely, "If we do nothing, the private sector will let us down, so give me a couple of billion a year and I'll show you some real results." No one seems to have asked the question, "What would the private sector accomplish if it had the tangible encouragement of \$1.5 or \$2 billion a year to spur it on?" Yet isn't it grossly unfair to compare what a public agency with \$2 billion a year could do with what the private sector might do without any money at all? That is a contest anybody would lose.

But report after report admits that the private sector cannot do the job in time, and since there is a terrible emergency we must pour additional billions through additional public agencies. Granted that these billions must come for the time being from the public purse, is it necessary to have large public agencies to spend them? I think not. The real question is: "How can these billions—which we assume a kind Congress will provide—be invested in the most efficient and effective way? How can these billions be used to give a concrete example of our economic way of life to the underdeveloped countries?"

The question that is being answered by all of these serious studies—the wrong question—is this: Can private foreign investment compete in volume and in politically desirable areas with a \$2-billion-a-year public program? The answer, not unnaturally, is no, despite the often described superiority of private investment as a means of establishing viable international economic relationships. The questions that should have been asked are these: Can \$2 billion a year of public money be invested in politically desirable areas most effectively by using foreign subsidiaries of private domestic companies or by using a

large public lending agency? Which method of channeling this capital will create the most enduring economic and political gains for us and for the recipient countries? And finally, which program, the public or the private one, is most likely to achieve the rather substantial political success of prying an additional \$2 billion a year out of a conservative Congress? These are the pertinent questions that have not been asked.

HOW CAN PUBLIC FUNDS be effectively channeled through private corporations? Just what kind of partnership between the government and the private sector of the economy can we set up?

The concept of a mutual fund is intriguing to me. I would propose an International Development Corporation of the United States. This fund would receive capital, initially from the federal budget, perhaps later on from other sources, and would invest it in equity ownership of foreign business corporations. Such corporations would be operating subsidiaries of domestic corporations, and primary responsibility for control and operations would be in the parent company.

The International Development Corporation would be the bridge between public capital and private utilization of the capital. Its purpose would be to provide the incentive for private corporations to invest in economically strange but politically desirable areas. I visualize a relatively small research staff devoted to allocating investment funds to different areas and companies much as the staff of a domestic mutual fund allocates its investment among different common stocks. Such experts would be thoroughly familiar with the investment needs and climate of each particular target area and would work with the foreign operating arms of our domestic companies in setting up steel, power, automotive, farm equipment, chemical, drug, petroleum, mining companies in various underdeveloped countries. Final investment decisions would be made by the board of directors of IDC.

For example, the IDC directors might allocate \$500 million of their annual capital receipts to India. The India section of the IDC research staff would then break down their annual allotment into industry segments, based upon their own judgment, the flow of applications they had on hand, and consultation with appropriate Indian planners. As a result, a Bethlehem Steel of India or International Harvester of Bombay might be incorporated—or expanded—in any given year. After full consideration of all the facts, the probability of success, the character of the private investor, the desirability of the investment from the recipient country's point of view, the board of directors would authorize the investment. Once made, the investment is on the books. If it prospers, as it should, then in due course earnings and dividends may appear. Other sections of the IDC staff would be preparing similar programs for other underdeveloped areas. Thus the IDC would quickly build up a valuable portfolio of foreign equity investments.

THE IDC is the carrot, the incentive to pull an active interest from the economic talent of our major private corporations. How would the carrot entice? A fundamental and time-tested method of making profits is to pyramid capital resources. Thus a corporation might get a 10 per cent return on a \$100 million investment; if \$70 million of the investment were borrowed funds on which you paid 5 per cent, then the \$30 million equity investment would get a return of about 22 per cent. If the IDC put up half

the equity investment but asked to get only a quarter of the equity profits, then the multiplier would become even more favorable. The terms for such an investment can be manipulated endlessly. The greater the political risk, the more attractive the terms could be made.

The equity ownership of these foreign business corporations would not be limited to the IDC and USA domestic corporations. Wherever possible investment by local interests should be brought in. One of the major purposes of a foreign business corporation is to foster the growth of the local private economy, to attract and marshal local capital resources, and to develop private economic initiative. The foreign business corporation would be controlled by a triumvirate made up of the IDC, US domestic interests, and foreign interests. The IDC would provide a good portion of the capital on favorable terms; the US domestic interests would provide the technical knowledge and managerial skills, and some capital; the foreign interests would provide local knowledge, local capital, and, it would be hoped, local managerial skills.

The profits would be split, perhaps unequally, between IDC and the private interests, domestic and foreign. But it is fully expected that there will be profits, and that some of them will be returned in the form of dividends. This is not an eleemosynary operation. Profits are expected—perhaps not in every year, but on the average. The equity capital, however, is permanent capital; there is no thought of repatriation and therefore no agonizing problems such as we are setting up with our soft loans—what to do with the soft currencies, or how to let the borrower gracefully default. If the flow of capital to the underdeveloped countries is of reasonable size, and if the economies do make some progress, there should be sufficient room in the balance of payments to allow moderate payment of dividends. Some dividend return is important. It is a concrete demonstration to Congress that this is an investment and not a give-away program.

Could an International Development Corporation designed to feed equity capital from the federal budget through foreign business corporations to the economies of the underdeveloped countries receive concrete Congressional support to the tune of \$1.5 to \$2 billion a year? A closely related consideration is the question, can current efforts to increase the government-to-government programs via the Development Loan Fund, the IDA, and the like succeed in increasing their take by \$1.5 to \$2 billion a year over present levels?

Taking the negative first, I would guess that future efforts to increase substantially the funds allocated to foreign economic aid are not likely to be more successful than past efforts. Despite the intensity of the support of the "liberals" for important increases in foreign aid programs, there does not seem to be enough independent or moderate support to put the actual appropriations over. Every year the foreign aid portion of the budget seems to be the most vulnerable. There are few signs that this conservative hostility to things foreign is losing ground. Even the rather substantial Democratic, presumably liberal, majorities that resulted from the 1958 elections did not alter the normal foreign aid difficulties at appropriation time. Nor is it likely that the competition for the federal dollar will markedly lessen with time.

Could a new approach emphasizing free enterprise allied with government capital succeed where current efforts may fail? No dogmatic answer is possible. I think,

however, that it is possible to foresee a more hopeful political result. Current programs have almost no support in the conservative segment of the community. I believe that there is an important section of conservative business opinion that could be attracted to a foreign investment program based upon a real and effective use of private enterprise. Such political power as this group represents, when combined with the power of the liberal groups who see the vital political necessities involved, might add up to a political bloc powerful enough to put through an increase in our foreign investment activities of really significant size.

The International Development Corporation would have substantial political assets that current loan programs do not have. First and foremost it would parade as an investment, not as a give-away. It could point to expected, and, in due course, actual dividend returns; its balance sheet would represent permanent investments, not a list of doubtful loans; it could point to some private capital accompanying each government dollar; it would be more in keeping with our experience and the development of our domestic economy, and the flag of private enterprise could be waved vigorously. Of course, the more rabid of our anti-business liberals might attack the IDC as a big-business graft, but I think that most of the liberal strength is sincere in its devotion to the cause of foreign economic development and would accept the IDC as the only way to rally sufficient political strength to put their foreign investment program across. In the area of predicting future political attitudes, no cast-iron, footnoted, irrefutable proofs can be offered. I do offer my guess that only through the union of liberal and conservative elements can a foreign investment program of adequate size be successfully pried out of the federal budget in the sixties.

WOULD SUCH A PUBLIC-PRIVATE foreign investment program be acceptable to the underdeveloped countries? Capitalism is an unsavory word in many of the countries we want to help. Imperialism, capitalism, colonialism are all connected in the minds of the people and are rejected wholeheartedly. So goes the orthodox line. But while hostile attitudes do exist, I think one may legitimately question the assumption that they are immutable, or that a cogently offered, substantial program of private investment would be rejected out of hand.

In this murky world of value judgments—judgments on other people's attitudes—no proof is possible, but here are some comments.

Granting the predominantly socialist and Marxist background of the political elite in many of the underdeveloped countries, how can you fit private investment into a nationalized economy? Two responses are valid here. First, attitudes are changing. As economic growth begins to take hold, the very immensity of the task of rigidly controlling everything becomes apparent. It is much easier and more fruitful to encourage private initiative to get as much done for you as possible. The advantages of the "mixed" politico-economic structure become evident. This is all we need. Secondly, I offer here private enterprise with a difference. The participation of the US government through the IDC and of foreign interests in the management of the subsidiary firms operating in the underdeveloped countries would bridge the gap between the uncontrolled private capitalism of the colonial days and the controlled economies now being attempted.

There are two methods of creating capital—forced sav-

ing through taxation or inflation, or voluntary saving and investment through creating an attractive economic atmosphere for domestic and foreign investors. Any leader of an underdeveloped country is quickly made aware of these alternatives, regardless of his economic predilections. If private investment were offered in important quantity in return for reasonable attitudes toward private concerns, I suspect that most leaders would be interested.

Analyzing the current five-year plan in India, Professor Malenbaum concludes (in *East and West in India's Development*, National Planning Association, 1959):

"Thus, on both private and public account, the current Indian Plan did give ample scope for foreign participation—by international institutions, by governments, or by private firms—in India's development effort. . . . Foreign countries anxious to assist in India's economic growth

could find in the planned program a wide scope, both with respect to the amount and the type of assistance that could be used."

Here a concrete plan by a socialist-oriented government includes room for private enterprise.

Any successful international investment program must be acceptable to both parties. The underdeveloped countries have great need for capital, and we have large capital resources available for fruitful investment. But the relationship must be mutually advantageous. It seems to me that a program such I have outlined could be adapted to the mixed economies now appearing in the underdeveloped countries. It is just as important that any program appear advantageous to us, both to Congress and to our major economic organizations. The second half of this social equation is where current programs have failed. ❧

### *To create responsible citizens*

## FOLK HIGH SCHOOLS FOR WEST AFRICA

P. H. BERTELSEN

THE COMPARATIVELY SMALL amount of resources going into adult education in Africa seems to indicate that adult education is commonly regarded as of only incidental importance for economic and social development.

This may be because the benefits of adult education are so diffuse that it is extremely difficult, if not impossible to keep track of them. It is difficult enough to assess the benefits of, say, a university extra-mural class on problems of economic development enjoyed by the participants in the course; but there is also a kind of multiplier effect at work because the class members communicate their ideas to other people, who in turn communicate with others again, so that the total effect is widely diffused, and not only over space as it were, but also over time.

To what extent, then, these ideas, mingling with other ideas from other sources, are operative in influencing events is an even more difficult question. This makes it difficult to carry out research into the effects of adult education. When the value of adult education is discussed, this communication factor is commonly disregarded, and therefore the importance of adult education is usually underestimated. This is why I would like to present the case that adult education can make a major contribution to the promotion of economic and social development.

Until fairly recently there was in African society, as in most other peasant societies, little change in the economic and social structure from generation to generation. Children were brought up to be obedient and the young to be respectful of their elders. As a person was growing up he could by watching those around him clearly see the role he was expected to assume in society. The whole emphasis was on conformity.

Now on the other hand the emphasis is on change and development—political, economic, social, and cultural development. Obviously all these changes must be carried out by people. There is then a strong and increasingly felt need for people with capacity for creative thinking, a sense of personal responsibility, initiative, and ability to communicate and cooperate with others.

I do not want to underestimate the importance of material resources for economic development, but the tendency among economists is to concentrate on measurable quantities, and therefore there is a danger that the human resources do not receive the attention they deserve.

There is of course a general agreement that education is important, but what kind of education? There is a general pressure for universal primary education; the benefits of technical and other national training are apparent; and there is also a great demand for university education.

School education and vocational training, however, although both necessary, are not enough to meet the needs of countries that are not only growing but are also changing their whole structure.

In the Congo there was in fact a higher percentage of children going to school than in most African countries; there was also a fair amount of technical education, certainly at the lower levels. What was lacking was a generally well informed, intelligent, and active public opinion. There were very few people who had an understanding of government, administration, economics, international affairs, and other subjects that help people to form consistent value judgments and to take practical decisions. There seems to be no harm in using expatriate experts in technical matters, but to rely on foreigners, even when they are well intentioned, and they are not always, to provide the value judgments may be dangerous.

The Nazi period in Germany is an even more frightening experience. The formal educational system in pre-Hitler Germany was of high standards, but all the German expertise could not make up for the lack of a general civic

EDITOR'S NOTE: This article is a somewhat condensed version of a paper presented to the 7th conference of the Nigerian Institute of Social and Economic Research at University College, Ibadan, in December 1960, and printed in the conference proceedings under the title "The Relationship between Adult Education and Economic and Social Development in West Africa."



29 education. In many countries, not only in Africa, there is a gap between the elites who are rapidly advancing in many fields and the masses of the people. This great educational gap seriously impedes the communication of ideas—but not of slogans—and gives rise to misunderstanding, suspicions, and rumors. The general ignorance further exposes public opinion to manipulation by commercial and ideological interests, both domestic and foreign.

There are many who think of adult education as remedial education, as a way of making up for an incomplete formal education. The implication is that it is a substitute, and that the best educational policy would be to improve the formal system. This is to me much too narrow a concept. The point is that adults have had more experience of life than school children and therefore are much more likely to understand many aspects of human nature and behavior than children are. Adults are also more capable of reflecting on their experiences and of relating new knowledge to what they know already. Although transmission or acquisition of knowledge is an important part of adult education, there is in adult education as I conceive it a greater emphasis on reflection and discussion of different points of view.

This develops the ability to distinguish between facts and opinions, and for that matter to distinguish between important facts and less important facts, and also the sympathetic appreciation of other opinions than one's own.

In short one might say that in adult education it is more a question of developing the qualities of the mind than of filling the mind with information or knowledge. This helps us also to distinguish between adult education and extension campaigns. In the case of extension campaigns the important consideration is to pass on some information in whatever form it is most easily assimilated without trying to sharpen the wits of the people.

BUT HOW CAN ADULT EDUCATION help in the economic and social development of a country? This may be illustrated by some references to the experience in Denmark, where adult education has made a very large impact on the country as a whole; and many of the problems that face West African countries today are in spite of many differences comparable to the problems that faced Denmark in the nineteenth century. In Denmark there was a strong national awakening, and there was a transition from absolute monarchy to a system of government based on universal suffrage. There were great changes in agriculture and a beginning of industrial revolution. There was the development of the cooperative movement and of trade unionism. The Danish adult education movement played an important part in speeding up these developments and also helped to integrate the new developments with the existing cultural pattern, thereby smoothing the transition to the new modern society.

The adult residential colleges or folk high schools were of particular importance. These colleges were founded on the inspiration of Bishop Grundtvig (1783-1872), who was well aware of the stirring times in which he lived and had a great sense of urgency about educational reforms. In 1832 he wrote—"Both the educated and the uneducated will be engulfed in revolutions if we do not make our schools into nurseries for life." Grundtvig developed his ideas of a people's high school, or a civic academy, in opposition to the grammar schools in which Latin and other "dead knowledge" held pride of place. He had been deeply impressed by the spirit of fellowship at Trinity College,

Cambridge, and he wanted the Danish King to establish a "Civic Academy" where young adults of all callings with some experience of life could come to pursue an education that should be its own reward, free of examination requirements and not aimed at any particular career. "One would wish that the young men who entered a People's High School already had an occupation, and the High School must then help them to return to their work with increased zest, a clearer view of human and social conditions, particularly in their own country, and a lively and

THE GHANA GOVERNMENT, in a White Paper on the recent report of the Commission for University Education, has accepted the suggestion that the experiment in a Ghanaian form of residential adult education at the Awudome Residential Adult College, Tsito, should be extended to the various regions by establishing further residential adult colleges, each with its own special character and program of studies.

Work on the Awudome Residential Adult College in Tsito, which has been sponsored by the Institute of Extra-Mural Studies, University College of Ghana, started in May 1950, and with only the barest of facilities regular courses commenced in 1956-57. Since then further building work and course activities have proceeded. Students have come from all over Ghana and in some cases from other countries in West Africa for periods from a week-end to three months to study economics, government, history, international affairs, and other subjects. The college has to a large extent been built by voluntary work provided by the local village people, and although the Ghana Government has given some financial assistance most of the funds have been contributed voluntarily both from Ghana and from abroad, particularly from Denmark, but also from Holland, the UK, Canada, and the USA.

joyful sense of sharing in a national fellowship with past and future generations."

This kind of education should mainly be achieved by the spoken word, which to Grundtvig is alive while the written word is dead—but in view of the great emphasis on lectures in many Danish adult colleges, particularly in the past, it is worth noting that Grundtvig stressed that "only when the monologue develops into a dialogue, between the old and the young, and between the young themselves, will enlightenment succeed."

Bishop Grundtvig's request was never granted by the government, but in 1844 the first people's high school was founded by some private citizens, and it was soon followed by many others.

In the beginning the Folk High Schools were often regarded as rather odd places because there were no entry examinations and no examinations on leaving.

One principal explained that he was most interested in preparing people to become good citizens with an open mind for the ideas of the time, with readiness to communicate their ideas to other people and ability to cooperate with others, and that these qualities do not lend themselves very well to testing by public examination. Most courses lasted five or six months and were held during the winter, when there was not much to do on the farms, and the young men therefore could afford to be away.

The courses were mainly concerned with the humanities, history and religion, literature and philosophy. Social studies in a broad sense with emphasis on current political and economic development also played an important part. In some colleges there was also some science teaching. The approach to most subjects was usually historical, and tutors who were good narrators—"have the word in their power"—were preferred. The courses were not of a voca-

tional nature although one or two vocational subjects, usually connected with agriculture, might be included in the program. The idea was that a young man who came as a farmer would go back as a farmer, and the clerk would go back as a clerk. "One must engage the youth with what is or at least what can be common for the entire people, so that one does not linger at something particular to a certain occupation except when it is in a wider connection and not at something foreign, except when it is needed for enlightenment about our own."

In other words adult education should not be regarded as a preparation for our lives as breadwinners but for our lives as citizens and as human beings.

The best way of judging the impact of the adult colleges is probably to see what the students did after returning to their villages. It was often former adult college students who arranged evening classes and lecture societies, founded public libraries, and many kinds of clubs and voluntary organizations, so that a really wide public awakening resulted, and a large number of centers of local initiative developed. Similarly, cooperative dairies, slaughter houses, marketing societies, waterworks, and so on were founded, and many former students became active in local government.

As the potentialities of this kind of education for the individual and for society became apparent, the adult colleges became accepted and began to receive financial support from the government. Today there are more than 60 of them in Denmark, and the idea has spread to several other countries.

Summing up the Danish experience, one can say that adult education has contributed to the development of the country by (1) making people familiar with the history and traditions of the nation, (2) directly or indirectly making large numbers of people conscious of the developments taking place and the problems facing the country, (3) encouraging study, exchange of ideas, and a full and open discussion of problems and currents of ideas, and (4) developing habits of mutual appreciation, trust and cooperation through the residential life in the adult colleges.

IN TRADITIONAL AFRICAN SOCIETY there have in many places been so-called bush schools which the young people would attend at the age when they were about to become full members of adult society. They would leave their villages for a time and stay somewhere apart where elder people would instruct them in the traditions of the tribe, teach them how to cope with problems and situations that would arise in their adult life, and tell them about the structure of the society in which they had to take up their responsibilities as citizens. This kind of education was probably in its essence very relevant to the tasks and functions people had to assume in adult life and to this type of society. To suggest that more adult residential colleges should be created in present-day Africa can really be said to mean a re-creation of the bush school in a modern form. Now, however, it would of course not be sufficient to each people about the affairs of the village and the tribe. It would be necessary to deal with the problems of the nation as a whole, and indeed with African affairs in general and even to some extent with world affairs.

If the argument so far holds good, residential adult education is much more effective than evening classes, because in an evening class it is difficult to do much more than teach a subject, and that is not the most important. In a residential college, on the other hand, the experience of the

students is bound to be much more intensive because, for the duration of the course, it covers all aspects of the life. Academic studies, art, sports and other leisure activities can all form part of the course, so that a balanced, all-round education can be achieved; and this is precisely what is needed, particularly in a rapidly developing country where the dangers of uneven development with ensuing strains and stresses, both for the individual and for society as a whole, are so great. In a good residential college tutors and students get to know each other well, so that the tutors can help the students most effectively; and the constant opportunities for discussion and exchange of ideas, not only between tutors and students but between the students themselves, lead to more active thinking in contrast to parrot-fashion learning. Further, the variety of activities offered in a good college and the whole setting give students opportunities to develop their powers of discrimination and choice. In an African context, one might add that life in the community of the college can help to break down tribal and other prejudices and promote some understanding between people of different backgrounds. Finally, the daily life of the college can be arranged to provide opportunities for the students to manage their own affairs and take a share in the running of the college, which is a valuable preparation for active participation in community affairs after the course.

Any society, and particularly a society exposed to changing circumstances, needs people who can understand what is going on around them, inspire and organize their friends, and initiate developments. The French call such people *les animateurs*, a term that may be more acceptable than English expressions like the elite, the leaders, the socially active people. When a great deal of material as well as cultural progress followed in the wake of the Danish adult colleges although they did not provide vocational courses, it may well be because the colleges helped to produce such people.

I do not think we can rely on the formal educational system to produce these animators. It may well be more practical to look round for actual and potential leaders in local communities, in villages and towns, in voluntary associations like trade unions, cooperatives, political parties, church groups, youth movements, and help such people to get a further education related to the situation of the country and the problems with which they are concerned. With a good foundation in the form of residential courses for the animators, the prospects of promoting other kinds of adult education will be much brighter.

IN WEST AFRICA adult education has developed around the two opposite poles of mass education and university extra-mural studies.

In the mass education work there has in my opinion been too much emphasis on the teaching of reading and writing, and often the work has stopped halfway before any degree of fluency has been achieved, so literacy has been of very limited use to most of the new literates. The underlying assumption seems to have been that other education should wait till people had become literate. Of course there have been exceptions to this general approach; in Ghana, for example, the Department of Social Welfare and Community Development has carried out some highly successful educational work amongst women in house-craft, baby care, hygiene, and other activities. This has been done by the spoken word in the mother-tongue accompanied by demonstrations, action plays, et cetera. It

would be very interesting to see some experiments conducted in teaching groups of illiterates elementary economics, government, and many other subjects by the spoken word. Obviously there would be a limit to how far one could go, but we might get somewhere, and this kind of education could be a powerful incentive for the students to do something serious about learning to read.

Very often mass education and community development have suffered terribly from the lack of good local leadership. Where on the other hand good local leadership is available, there is evidence to show that a very great deal of progress can be achieved. In Anfoega in Ghana, the people have over the last ten years or so completely changed their village by constructing roads and schools, a market, a water supply, a community center, a health center, and now a hospital. It seems to be an essential task for adult education to help in the development of such leadership.

At the other pole university extra-mural studies have provided excellent opportunities of further education for keen West Africans who have already reached a certain stage in their education. In Ghana, Nigeria, and Sierra Leone the universities have emphasized the value and importance of a general liberal education and planned their course programs accordingly; but because of the great lack of many other educational facilities in West Africa it is understandable that many people have used university extra-mural classes for their own purposes, which have often been to acquire a formal education leading to an examination and better vocational prospects. There is nothing wrong in this in itself. Both formal education and vocational training are necessary and desirable, but a pressure for extra-mural students to have the nature of the courses geared to suit their vocational requirements must be resisted if this would be at the expense of a general civic education; for although vocational education is necessary, it is not sufficient.

**MANY PUBLIC AMENITIES** such as sanitation, water and electricity supplies, and public transport, depend for their provision not only on the general availability of funds but also on the priorities accorded to such projects, which again means that the provision depends on the existence of a large appreciative public. The same argument applies to many cultural amenities like theater plays, concerts, operas, reasonably priced books and magazines, radio and television programs. Particularly in an age of mass media, where the level is often set by the lowest common denominator, it seems to me, with due apologies to my mathematically minded colleagues, important that the lowest common denominator should be as high as possible.

Many expatriates, and for that matter many Africans who have lived in highly developed countries, feel that although their money income may be higher in Africa, their standard of living is in many respects lower here, precisely because of the great lack of collective amenities, both at the level of creature comforts and in the fields of culture. This implies that in order to enjoy a high standard of living in the widest sense of the term, it is not enough to be individually well off; it is also necessary that the society to which we belong should be prosperous as a whole, and should be willing to make use of a considerable part of its resources for collective purposes through taxation and good government.

The need for qualified people in various occupations is so obvious that both employers and government are

anxious to provide facilities for training. On the other hand, the need for generally well informed citizens with an increased sense of responsibility is much less obvious, and the attraction to the individual person of becoming a good citizen rather than becoming, say, an accountant or a lawyer is much less apparent. Thus there is a tendency both for the demand for adult education and for the provision of facilities to be smaller than would be desirable from a social point of view.

The fundamental idea, then, is that, in a country where a great deal of change is going on in so many fields, it is very important that as many people as possible should know what is going on, and that people should be helped both to appreciate and evaluate new ideas and to communicate their own ideas, so that the whole process of communication of ideas can be stimulated. I think it would be generally agreed, for example, that the whole problem of agricultural progress would be much simpler if the farmers were able to absorb new ideas at a faster rate and could meet the agricultural and cooperative extension officers halfway. Arthur Lewis once said that economic planning is a difficult art because we do not know what conditions we shall have to cope with a few years hence; but there are a few things we do know, particularly that we need to have an alert population, ready to consider changes and to try out new ways, and the means to achieve this should therefore have a high priority in any economic and social planning.

If the arguments presented here are valid, the following conclusions may be drawn:

- Although the benefits of adult education may be of a diffuse nature, they are no less real for all that, and adult education can make a valuable contribution, particularly when it is so imperative not only to develop society in one or two specific directions but to transform it in many different ways and to effect a general development.
- As adult education increases the productivity of the people, expenditure for this purpose should be considered as a kind of investment, an investment in human beings, rather than as a kind of consumption.
- Adult education will have the biggest total effect on a community if it is initially aimed at the animators.
- More work in adult education should be done in the vernacular in order to bridge the educational gap that at present exists between the elites, who are not always synonymous with the animators, and the masses.
- More efforts should be devoted to the development of residential forms of adult education. ☛

#### **MARK THE DATE • March 2 & 3 1962**

- Friday & Saturday • 4th Annual Conference of the Society for International Development
- Shoreham Hotel, Washington, DC • Notable speakers & panels • (1) The state of the "science" of international development • (2) Regional development problems of Latin America, Asia, Africa • Dinner, 2 luncheons • Conference Committee Chairman, Luther H. Evans, former Director General, Unesco



# INDIA'S COMMUNITY DEVELOPMENT PROGRAM

## A critique & suggestions

OM P. TANGRI

THE COMMUNITY DEVELOPMENT PROGRAM in India, which has now been in operation for over eight years, was initiated in a time of unprecedented economic, social, and political troubles. Opinions and ideologies differed as to solutions. Exclusive reliance on any one of the traditional approaches was considered neither safe nor practicable in a nascent democracy. The program of community development was evolved as an alternative to either totalitarian or capitalistic methods of social change. It has been somewhat controversial for some time, but in recent years certain opponents have gone so far as to question its basic philosophy and declare it an expensive luxury, purely for ornament and contributing "but little to agricultural expansion." (See, for example, *Hindustan Times*, "White Elephant," July 27, 1960, and "Money to Jam," March 5, 1960.)

The author of this article disagrees with such criticisms as these and appreciates the merits of the program. Its achievements, however, will not be discussed here since they have been amply treated elsewhere in the professional literature. (For example, United Nations, Bureau of Social Affairs, *Community Development and Economic Development, A Study of the Contribution of Rural Community Programmes to National Economic Development in Asia and the Far East*, Part I, July 25, 1960, Table 2, p. 26. Unpublished preliminary draft.) The purpose of the article is to point up certain important shortcomings that have tended to minimize the effectiveness of the program, and to suggest ways of overcoming them in light of basic economic theory in production and marketing. Some of these shortcomings have been pointed out by other writers, but they are included here because they have not had effective remedial action.

(1) Community Development has not made adequate progress in getting the farmer to adopt new and improved techniques. Farmers are loathe to change their habits for a variety of reasons. For example, in India, farmers operating on a small scale frequently hire only one worker. They pay him a specific amount per day because of legal requirements or tradition. In such cases they may be unwilling to adopt new machinery or techniques since their total wage bill will remain the same even though the number of daily hours of labor is less. While changing laws is beyond the direct scope of Community Development, changing traditions is not. Farmers are also unwilling to use new techniques, improved seeds, fertilizers, et cetera, because of inadequate credit facilities. Here it would seem that the Community Development program might do more than it has done to ease the credit situation. Another difficulty is

that the farmer is in many instances not convinced that the new techniques are better. Such shortcomings as selection of poor demonstration plots and inadequate informational activities frequently leave him unconvinced of the merit of the new ways. Last in a series of examples that might be increased manyfold is a lack of adequate storage and transportation facilities, which keeps the farmer from adopting new production methods. (See Food & Agriculture Organization, *Preliminary Report of the Survey of the Fertilizer Economy of the Asia and Far East Region*, Rome, July, 1960, p. 4.) All this accounts for the continuance of subsistence farming and the lack of diversification and noticeable shifts in the crop pattern.

(2) Community Development has in some cases failed to make good use of opportunities available to it. For example, in the second plan period, according to V. T. Krishnamachari, Deputy Chairman of the Planning Commission, enough water to cultivate 3.5 million acres was available from completed large dams. This water was not used because engineers failed to provide convenient outlets from canals to villages, and villagers failed to construct field channels because they lacked persuasion and advice. If Community Development did not know of this opportunity, its lines of communication to other agencies are badly in need of repair. If it did, and still missed the opportunity, the problem is more serious. Unless this can be remedied, India has lost the use of 3.5 million acres of irrigated land, 35 thousand field channels, and the employment opportunities for constructing the channels. The figures assume that a field channel approximately one mile long is needed for every 100 acres.

(3) The village-level worker, the main link between the people and the government, is greatly overworked. He is assigned five villages with some 3000-4000 persons. As against this heavy responsibility, he receives a meager salary of Rs. 80 to 100 (around \$20) a month. The low salary and the large number of villages under his care no doubt reflect the inadequate resources of the Indian government; but since the village-level worker's job is so important, this may not be the best place to economize.

(4) From several UN reports and other sources, it appears that the staff of the Community Development program has not paid enough attention to the task of minimizing violent seasonal price fluctuations in Indian agriculture. Basic production theory tells us that such fluctuations make sound and rational economic decisions very difficult. Minimizing them should therefore be high on the list of priorities in the agricultural program. To be sure, overcoming this difficulty is a task beyond the powers of the Community Development program itself, but some improvements could be made locally, and local efforts would be helpful in bringing the problem into focus nationally.

(5) The administration of the program is cumbersome, confusing, and all too frequently apathetic. Even worse, many of the practices of the administrators invalidate the philosophical ideas on which Community Development is based. (This complaint was stressed in a recent study by S. C. Dube, *India's Changing Villages*, Ithaca: Cornell University Press, 1958.)

\* Most of the deputy commissioners, who have the responsibility for Community Development in their districts, "continue to regard Law and Order and Revenue functions as their major duties," as Scarlett Trent says in "Community Development Administration—an Evaluation" (*The Economic Weekly*, Vol. X, nos. 26, 27, and 28, July, 1958, p. 889). Few take "an active interest in their new develop-

AUTHOR'S NOTE: I am indebted to Professors Murray R. Benedict, David J. Allee, and Paul S. Taylor of the University of California for making very helpful suggestions and bringing several issues to the fore in their comments on an earlier draft of this article.

ment responsibilities." Thus the major developmental function still rests with the district planning officer. If he is not a specialist, or is junior by length of service and salary, and must supervise the work of specialists of senior status, complaints and troubles arise.

- All too frequently the village-level worker must act in accordance with targets set by his superiors but with little opportunity to advise them about the felt needs of his villages. This is a definite weakness of administration because it tends to leave the villagers cold and unresponsive to projects assigned top priority by the Community Development organization as a whole.

- The people's association with the officials in the program, through nonofficial members of their village serving on the committees, is also difficult to achieve. The non-official members are usually the village elite. They tend to prefer to agree with the official members since they wish to keep their positions on the committee and in the village intact.

### Suggestions

(1) *Credit:* Community development needs to do more research and to step up its efforts to improve the credit-worthiness of the farmer by providing security for certain approved loans, and to improve the flow of savings from cities to villages and from within financial institutions in the villages to the farmers. One possible way to achieve this may be to introduce a credit supervisory system in collaboration with the cooperative and other credit institutions that are designed to provide credit on reasonable terms.

(2) *Income:* More projects should be designed to reduce underemployment, to increase the farmer's capacity to store products, and to provide supplementary sources of income. Projects such as reclamation of land, construction of field channels, storage, warehousing, and buildings for cooperatives and schools might be profitably undertaken in the idle season to achieve these objectives.

(3) *Finance:* The Ministry of Community Development or the Ministry of Agriculture or both should look into the possibility of using goods or funds derived from PL 480 shipments to finance some of the projects mentioned or others that might be appropriate. In the idle and even partly busy season, payment of wages in kind or cash might enhance people's incentives to contribute their labor to projects of general benefit. The use of PL 480 funds might be of particular help to the large class of landless agricultural labor.

(4) *Small-scale industry:* Industrialization is an important goal of Indian economic planning. To achieve a smooth and orderly transition from the present heavily agricultural to the projected more industrialized economy, Community Development should conduct research on the following problems:

- At the manufacturing level, what type of small-scale industries will best facilitate the process of industrial change without increasing costs to the economy through subsidies? The nature of such industries should be determined not entirely on the basis of doctrinaire philosophy but on the dynamics of the projected forces of demand and supply. The choice does not have to be entirely between the extremes of Ambar Charkha and giant mills. As Japan's early economic development shows, appropriate technologies can be designed in such a way as to aid in setting up efficient small- and medium-scale factories.

- At the processing level, what kind of plants can be set up in villages? Can they be integrated with manufacturing plants in the urban areas? Many of the bulky products like cotton, groundnuts, and coconuts are still being carried in raw form to the city plants on slow bullock carts plying on unsurfaced roads. For these products, it might be possible to establish plants in close proximity to agricultural

producing areas. This would mean reduced transportation costs to the farmer and possibly lower prices to the consumer. In addition, encouragement of such industries would provide additional avenues of employment and income to the village populations and thus reduce pressure on the already crowded urban centers.

- Should such industries be financed by the national government, by foreign governments under programs like PL 480, or by international agencies?

(5) *Marketing arrangements:* Long chains of intermediaries between farmer and buyer still exist in most of the rural economy even in areas where Community Development has been in operation. Where possible, Community Development must reduce the middleman's charges, which at present severely cut into the farmer's share of the price. To do this, Community Development will need to work more closely with the marketing cooperatives in an effort to improve the economic efficiency of marketing operations.

(6) *Administration:* Suggesting administrative improvements is a subject by itself and too vast to go into in this paper. Certain points, however, may be suggested for consideration. Since several evaluation reports have expressed serious dissatisfaction with the administration of the program, and since \$840 million has already been earmarked for the Ministry of Community Development in the proposed Third Five-Year Plan, the Planning Commission should objectively review the conditions and considerations that necessitated enlargement of the then Community Development administration agency into a full-fledged ministry, and should appoint an independent body to make a thorough inquiry into the present administrative machinery. The Planning Commission should then decide whether the present Community Development Ministry should be abolished, merged, modified, or retained as it is.

Even if the present ministry is retained, administrative changes should be made to improve the operations of the village-level worker, the district officers, and others. The Community Development Ministry should also make every effort to utilize the research staffs and technical assistance already available in the ministries of Agriculture, Education, and Health and other agencies in carrying out their present program and the research program outlined here. Every effort should be made to keep from proliferating and duplicating research departments since this tends to become an empire-building process.

### In Conclusion

THE PHILOSOPHY of the program is sound insofar as it seeks to initiate economic growth in Indian agriculture through qualitative changes in human beings, brought about through democratic principles of self-help, incentives, and response.

That it has failed to achieve its goals as fast as anticipated is a result of difference of opinions about objectives, the absence of conditions that the program had taken for granted, and some defects in administrative arrangements.

Since Community Development expects to operate through improved human beings, and since human beings operate it, it is doubtless unfair to expect quick miracles. Continued usefulness of the program, however, requires an attitude conducive to examining faults as well as merits. So far, Community Development seems more often than not to have been in the position of either receiving extravagant plaudits or suffering unduly like the person who cries, "When I am right, no one remembers; When I am wrong, no one forgets." ❧



## Chapter News

**India: Bombay.** A letter from K. S. Krishnaswami 13 i 61 notes that formalities have been completed for establishing the chapter. The first meeting was held 17 i 61, with 24 members present. • **Madras.** In outline, this is the record of the Madras chapter during its first year: 24 vii 60 chapter organized with 12 founding members. Membership during the year grew to 32. *Public meetings:* 6 were held, with the following guest speakers: 22 viii 60 P. S. Narayan Prasad, World Bank. 1 xi 60 H. V. R. Iengar, Governor, Reserve Bank of India—Monetary Stability & the Role of the Reserve Bank (see IDR III 1). 10 ii 61 H. C. Dasappa, MP—Civil Expenditure outside the National Plan. 19 ii 61 K. Santanam, MP—Economic Outlook on the Eve of the Third Plan. 15 iv 61 Dr. Thomas W. Simons, US Consul, Madras—New Perspectives in American Foreign Aid Policies. 14 vii 61 Dr. M. I. Okpara, Premier, Eastern Region, Nigeria—Problems of Economic Growth in Nigeria (see IDR III 3). *Informal meetings:* 5 were held, dealing with chapter & SID business and including discussions on these topics in relation to India: the size, shape, and significance of foreign aid; the pattern of savings in recent years; the official economic survey 1960; the outlook on the eve of the Third Plan. *Hospitality:* One member arranged a dinner in honor of Shri H. V. R. Iengar, another was host at 2 dinners and a breakfast, a third was host at a breakfast and 4 tea meetings. *Library:* the US Information Service, Madras, has provided 18 books and the British Information Service, Madras, 9 issues of journals & various pamphlets. *Officers:* Elected at the annual general meeting 6 viii 61—President, Professor K. B. Madhava; Vice-President, Shri A. G. Venkatachari; Treasurer, Professor K. Vasudevan; Secretary, Shri V. K. Narasimhan; Assistant Secretary, Shri A. Ranganathan.

**Philippines: Manila.** The Manila chapter was organized early in June 1961,

with Amando Dalisay as chairman and A. B. Isip and Dean Umala of Los Baños as vice-chairmen. The chapter held its second meeting 19 vii 61 and decided to hold an evening discussion meeting 14 viii, with an address by Dr. Salvador Araneta, president of the Araneta University, on Problems of Industrialization in a Developing Economy. The Study & Programs Committee planned to follow this with a discussion meeting on the Need for Diffusion of Property Ownership in Developing Economies. The Committee on Membership is headed by Ramon Binamira and the Committee on Finance by Armando Isip.

**Switzerland: Geneva.** Harlan Cleveland, US Assistant Secretary of State for International Organization Affairs, addressed the foundation meeting—a luncheon—29 vi 61, with 50 people attending, of whom 35 were chapter members. A steering committee appointed to propose a slate of officers includes Jerome J. Jacobson, international lawyer, serving as acting secretary; Henrik Beer, secretary general, League of Red Cross Societies; Max A. Brande, director general, World ORT Union; Willard Johnson, CARE liaison to international agencies, Geneva; Dr. Erich A. Messmer, Federal Political Department, Berne; Dr. Fritz Real, director, Swiss Foundation for Technical Assistance; Milton Siegel, deputy director general, World Health Organization; Dr. Pierre A. Visseur, general secretary, European division, World Brotherhood.

In a letter from Geneva to SID President Mayobre dated 29 viii 61, SID executive secretary Marion Clawson wrote: "It seems clear to me that the society has a great potential in Western Europe—a potential that we have somewhat neglected in the past. The Switzerland chapter organizing committee estimates that 1000 SID members in Western Europe is a real possibility in the next 3 years. These governments are rapidly moving into technical assistance and economic aid. There are many private firms and organizations interested in the field. In addition, many international organizations have their headquarters here. The committee plans to enlist members wherever it can in Western Europe, with the idea that other chapters in Paris, Berlin, The Hague, London, and elsewhere will follow as membership

rises in each place. Persons interested in international development move freely among these cities, and the Switzerland chapter may well attract people from other major cities, at least until the latter develop their own chapters."

**USA: Michigan.** James Grant, ICA deputy director for program & planning, spoke at the meeting at Wayne State University 2 vi 61 on US Foreign Aid—the New Approach. The chapter was inactive during the summer. • **New York.** at the meeting 4 v 61 F. W. Singer spoke on the Use and Abuse of Local Counterpart Funds. (See IDR III 3.) The meeting 1 vi 61 was devoted to discussion of J. Ben Liberman's paper, based on work by a chapter study committee, on the Purposes of Participation in International Development. Arthur (Tex) Goldschmidt led the discussion at the meeting 7 ix 61. The New York chapter sends out monthly advance notices of meetings and post-meeting summaries for a charge of \$1. Box lunches are served at cost at the meetings. • **Washington.** Professor Samuel P. Hayes, University of Michigan, spoke at the meeting 29 vi 61 on the Use of Behavioral Research in Technical Assistance Programs, a subject that provoked lively discussion. The meeting elected Dr. Howard M. Kline, USPHS, as chairman of an interim Nominating Committee to propose a slate of new officers. Dr. Gerald F. Winfield has resigned as chapter chairman.

### Chapter interest elsewhere: Pakistan:

At the time of going to press with this issue of IDR we had not yet received final official word about the organization of a chapter in Karachi. • **Sudan:** There is active interest in organizing a chapter in Khartoum, where, according to an article in the *The Sudan Daily* 18 v 61, SID now has 25 members compared with 3 a year ago. • **Turkey:** Interest is active and plans to form a chapter are well advanced. • **Japan:** Interest is active, sparked especially by Yoshizama Iwasa, deputy chairman, Board of Directors, The Fuji Bank, Ltd. • **Israel:** Initial action has been taken toward organizing a chapter. • **France, Germany, Ghana:** There is now some interest in establishing chapters in all of these countries. • **United States of America:** The Boston area and Pittsburgh have evinced interest in establishing chapters.

## The wonderful world of BOOKS

ALFRED D. STEFFERUD, the editor of the US Yearbook of Agriculture, originated our title phrase; it was the title of a little book of his, published in 1952. It has since been applied widely and indiscriminately—the wonderful world of medicine, the wonderful world of animals, the wonderful world of whatever and whatever—proving, as Stefferud said, that phrases are important. And books are a wonderful world, in which men enclose between two covers the work of lifetimes, the hope of immortality, the catalog of human suffering and joy, the shape of things past and things to come, intricately reasoned theory, knowledge patiently earned. Where would the great religions be without their Books? Or the great economic-political systems? Could any of us possibly trace all the influences, direct and indirect, that books have had in our

thought and life? To misquote an English poet's translation of a great Persian mathematician's epigram—I wonder often what the authors buy One half so precious as the stuff they sell.

We gratefully acknowledge receipt of the following books from the publishers. SID members are identified by a small circle supra. Annotations are taken directly from the text but without indicating omitted material.

**George D. Bryson. American Management Abroad: A Handbook for the Business Executive Overseas.** Harper & Brothers, New York. 240 pp. \$5. Excerpts from the author's introduction: "The best training ground for America's future top managers is in overseas operations. It is my hope that this book will provide some guidelines for men going into overseas management jobs. But more than that, I hope it will remind top executives and ambitious young businessmen of the challenges of foreign operations. The book is intended to offer, both to the individual and the corporation, suggestions growing out of actual experience. Every illustration is in fact a case history



of how particular situations were handled. If the foreign manager will study these episodes as a guide when similar situations arise, I believe he will be happier and more successful." The author, now a consultant with offices in Milan, Italy, organized and developed the International Division of General Foods Corporation and had previously served as a vice-president of Young & Rubicam.

**Walter Krause. Economic Development: The Underdeveloped World and the American Interest.** Wadsworth Publishing Co., San Francisco. 1961. 524 pp. \$8.50. sid member Sophya Balicka of ICA sent this book all the way from Pakistan by air to the editor, with enthusiastic comments about its value to her and her team mates. What better recommendation? The author, professor of economics in the State University of Iowa, writes in the preface: "Why did I undertake to write this book? For two main reasons. First, I felt dissatisfied with the body of literature as it stood. For example, I thought I detected a trend toward stressing the obstacles to development without sufficient emphasis on how action might then proceed. Again, a goodly portion of the literature seemed to me highly aggregative in treatment, so that one seeking guidance on how to proceed with specific action here and now was able to get only limited help. My conclusion appeared to be underscored by complaints I heard among government personnel, both American and foreign, who frequently took a dim view of what looked to them to be a sharp cleavage between 'theoreticians of the ivory tower' and 'practitioners on the firing line.' It occurred to me that an attempt should be made to bring the two closer together. Second, I felt a book was needed that would combine material pertaining to both the problem of underdeveloped countries and the interest and activities of the United States in respect to this problem."

**Gustav F. Papanek. A Plan for Planning.** Center for International Affairs, Harvard University. 1961. 12 pp., paper. \$2.5. This is the first in a new series of occasional papers to be published by the center. From the concluding section: "Advisory services in development planning and economic policies would be increased in volume, improved in quality, and made more widely acceptable in underdeveloped countries if a new agency were established specifically for these purposes. It might be called the Institute for Development Planning. The Institute would be financed by foundations and international organizations as well as through the aid programs of individual countries. The multiplicity of financial sources would go far in ensuring independence from all. The Institute's permanent staff would be small. Most of [them] would be working in underdeveloped countries as the nuclei of groups of temporary advisers drawn from universities, business, private consulting firms, governments, and international organizations. Aid-giving countries and agencies could let it be known that it would be in the interest of recipient countries to pay some attention to the advice they receive."

**Adamantios Pepelasis, Leon Mears, Irma Adelman. Economic Development: Analysis and Case Studies.** Harper & Brothers, New York. viii + 620 pp. \$8.50. Excerpts from the authors' preface: "This book is intended to provide an introduction to the study of economic development of underdeveloped areas. The first portion of the book [is] an exploration of each of the key determinants. Natural resources, human resources, capital accumulation, technology and entrepreneurship, and sociocultural factors are each examined in turn. The second part presents twelve case studies, each dealing with the economic development of a particular nation. The countries selected cover a broad geographical area under a wide variety of political and economic conditions." The authors are professors of economics associated respectively with the University of California, San Francisco State College, and Stanford University.

**Thomas T. Poleman. The Food Economies of Urban Middle Africa: The Case of Ghana.** Food Research Institute, Stanford University. 1961. 175 pp., paper. \$1.50. This is one of a group of Studies in Tropical Development. From the Concluding Observations: "Examination of the limited data now available has provided certain useful insights. Several of these run contrary to previously held notions. Despite its technological primitiveness, the efficiency of the [urban food supply] system seems beyond doubt. Far from limiting Ghana's urban centers to [near-by] hinterlands, it has enabled them regularly to draw staple foodstuffs from areas 100 miles or more away. Moreover, it has permitted producers to specialize in those crops for which their lands are best suited. Manifestly, it is a thing

of value, as are the incentives which make it possible; cautious indeed should be any attempts to supplement or replace it." "Particularly with respect to the type of dietary adjustments which accompany rises in income, we have observed a sharp divergence between reality and expectation: instead of incorporating greater amounts of animal proteins into their diets, the wealthier urban consumers apparently eat essentially the same type of meal as their less fortunate neighbors. Conceivably a whole new dietary must evolve (comparable to that which occurred a generation or so ago in the United States when the salad course achieved widespread acceptance) before any appreciable change in its composition can take place. The pitfalls of blind extrapolation are obvious. Middle Africa is a world of its own."

**Willard Range. Jawaharlal Nehru's World View: A Theory of International Relations.** University of Georgia Press, Athens. 138 pp. \$3.50. Excerpts from the author's preface: "This is a case study of Jawaharlal Nehru's theory of international relations. It attempts to describe his explanation of why states behave as they do and the reforms he is trying to bring about in the present inter-state system. Chief reliance has been placed on his own speeches, books, interviews, press conferences, and articles. Enough material is available to suggest the major lines of his thought; and that is what I have tried to describe. Nehru's mind is a provocative and stimulating one that has been working continually on public problems for over half a century. He very definitely has a message for the world and it is a message worthy of the world's attention." A careful, judicious, interesting analysis.

**Daniel L. Spencer. India—Mixed Enterprise and Western Business: Experiments in Controlled Change for Growth and Profit.** Martinus Nijhoff, The Hague. 1959. xii + 252 pp., paper. Guilders 15.75 (about \$4). Excerpts from chapter X and the author's preface: "In contrast to the Western free enterprise tradition of natural economy with the state on the periphery acting as a guardian who 'interferes' only occasionally and then only when justified, there is a different socioeconomic scheme implicit in the Indian materials. This policy shuns both the peripheral guardian state and the Communist leviathan of total state ownership of productive facilities. In their place, modern India offers a dualistic conception of a public sector and a private sector sharing all economic activity as equals. Though a similar conception may be found in other countries, India's emphasis on this middle ground is striking. This situation is not too far different from what prevails in the United States. The important point is that India and America differ in emphasis due to differing cultural backgrounds. Coming from opposite ends of the spectrum, these two countries meet in a common middle point of mixed economy. They are both democracies where individual freedom is respected and they have far more in common than the difference in economic emphasis on public or private sectors." The author of this thoughtful analysis, with case histories, is an associate professor of economics in Southern Illinois University who has had considerable experience in India.

## BIOGRAPHS

EDITOR'S NOTE: The *Review* attempts to obtain biographical notes for all authors and sid officials whose names appear for the first time in the current issue. Omission of a biograph means that the editor did not receive the necessary data in time for publication. Biographs that have appeared in earlier issues are referred to but not repeated in the current issue. sid members are indicated by a small circle supra.

**Paul H. Bertelsen** became resident tutor in the Institute of Extra-Mural Studies in the University of Ghana, Accra, in 1960. Arriving in Ghana in 1956, he spent his first four years in Tsito as resident tutor for the Volta Region, devoting the major part of his time to the development of the Awudome Residential Adult College, the first residential college devoted to liberal education in Africa. This involved organization of voluntary work by the villagers, fund-raising, and the planning and conducting of courses lasting up to three months. Born in Denmark in 1925, he studied economics in Copenhagen University, and in 1948-50 was a foreign bursar at Cambridge,

where he got his MA; in 1950-53, resident tutor in economics at Fircroft College, Birmingham; and in 1953-56, lecturer at Niels Brooks Commercial College and at the Workers' Evening High School while continuing his studies at Copenhagen University, where he wrote a thesis on public investment policy for the cand. polit. degree. He contributed the chapters on the Danish economic structure for a textbook widely used in adult education in Denmark. Paul Bertelsen is a member of the Ghana National Commission for Unesco and the government committee preparing the University College of Cape Coast and has been invited to advise the National Council of Cooperatives in Ghana on the establishment of a cooperative college. He has traveled widely in Europe and North and West Africa (Vol. III No. 3)

**Edwin R. Henry** is advisor, Employee Relations Research, Standard Oil Company (New Jersey). He received his PhD in psychology from Ohio State University, where he also taught. Later he was chairman of the Department of Psychology at New York University, chief of Personnel Research in the Adjutant General's Office in the War Department, and vice president and director of Richardson Bellows Henry & Company. His interests include planning and directing research in employee relations and personnel both in this country and overseas, and the application of social science in industry. (Vol. III No. 3)

**Robert W. Hudgens**, president of International Development Services, Inc., New York, is generally conceded to be the originator of what is known as "supervised credit" for small-scale farmers. For a more detailed biography, see IDR Vol. I No. 1. (Vol. III No. 3)

**Albert Lepawsky** is professor of political science at the University of California, Berkeley. He has been on intermittent UN assignment since 1950. His latest foreign post was that of director of the Regional Training Center for United Nations Fellows at Vancouver, Canada. This project, launched in 1959, was a joint undertaking of the University of British Columbia, the government of Canada, and the United Nations, designed to experiment throughout western Canada and the United States with more effective methods of international training, to help with the recruiting of experts from this region of North America for service abroad, and to conduct international seminars on subjects related to development. Rosalind Lepawsky has worked closely with her husband on the complex training problems involved. (Vol. III No. 3)

**Michael Iheonukara Okpara**, Premier of the Eastern Region of Nigeria, started his career as a medical doctor in 1947, first in the government service, then in private practice; but even as a medical student he had become involved in political affairs, and after being arrested for a protest speech in Umuahia, his home town, in 1950, he decided to devote all his time to political issues. Elected to the legislature of Nigeria's Eastern Region in 1951, he was subsequently appointed Minister without Portfolio, then Minister of Health, then Minister of Production. In 1959 he became Acting Premier and the following year Premier of the Region, succeeding to the political mantle of Dr. Nnamdi Azikiwe, famous nationalist and advocate of Nigerian independence, who had resigned. Dr. Okpara was born in Umuoguru, Umuahia Province, in 1921 and studied in the Methodist College at Uzuakoli, the Higher College at Yaba, and the Nigerian School of Medicine at Yaba. (Vol. III No. 3)

**Hollis W. Peter**, born and raised in China, is director of the Foundation for Research on Human Behavior in Ann Arbor, Michigan. He has a PhD in economics from the University of Michigan. His early work experience related to economic development was with the Soil Conservation Service of the US Department of Agriculture, and with the US National Resources Planning Board. He was later with the office of Intelligence Research in the State Department, was acting director

of the Program Planning Staff of the Technical Cooperation Administration (Part IV), and Director of the US operations mission in Lebanon. His special interest is the application of social science to organizational programs and cross-cultural operations. (Vol. III No. 3)

**H. W. Singer** joined the UN Secretariat in 1947 and is now principal officer in the Department of Economic and Social Affairs. In 1961 he was chairman of an expert committee, set up by FAO to develop plans for the use of surplus food, which prepared a memorandum on Development through Food: a Strategy of Surplus Utilization. He has been attached at various times to the UN Economic Commission for Africa in Ethiopia and the Economic Commission for Asia and the Far East in Thailand and has participated in UN missions in Brazil, Turkey, and the Philippines as well as in the recent conference of the International Economic Association in Addis Ababa, where he presented a paper on Small-Scale Industry in African Economic Development. A British subject, born in November 1910, he holds a diploma from Bonn University and a PhD from Cambridge (1936). Dr. Singer is a visiting professor of economics in the graduate faculty of the New School for Social Research, New York, and a faculty associate of Columbia University and has lectured at many universities in various parts of the world. He is author and co-author of a number of books and reports and of a long list of articles in professional journals. (Vol. III No. 3)

**Mendon W. Smith** is trust officer, First National Bank & Trust Company of Ithaca, New York. For further biographical details see the editorial note appearing with his article in this issue of IDR. (Vol. III No. 3)

**William Charles Smith** is a graduate student in the Department of Anthropology, University of California, and president of the Kroeber Anthropological Association. In 1959 and 1960 he did ethnographic research in the Tarascan area of the State of Michoacán, Mexico, and expects to continue this work in the autumn of 1961. Born in Monroe, Louisiana, in 1932, he served in the Far East during the Korean War and after a year of study in Mexico City entered the University of California, where he received his AB degree (Phi Beta Kappa "with highest honors") in 1959. He is interested particularly in the application of anthropological method and theory in community and industrial organization. (Vol. III, No. 3)

**Om P. Tangri** was born in Lahore, Pakistan (then India), in 1930. His undergraduate and MA work was done at Panjab University (Camp) College in New Delhi, India, and he received his MA in Economics in 1956. He did over two years' research and field work on production, marketing, and resource development problems in certain Community Development areas in connection with his master's thesis on the economics of the Bhakra Nangal project, a major multi-purpose river valley project in North India. Since 1957 he has been working for his PhD in Agricultural Economics at the University of California, Berkeley. His chief areas of specialization are agricultural marketing and economic development. He is currently engaged in completing his PhD dissertation on the development potential and limitations of US Public Law 480 in India's program of agricultural development. (Vol. III No. 3)

**Abel Wolman** is emeritus professor of engineering at the Johns Hopkins University; lecturer and professor at Harvard, Princeton, the University of Chicago, and other universities; and consulting engineer to many US cities and organizations, including Baltimore, Detroit, Jacksonville, Miami, Seattle, the US Public Health Service, the US Army, the US Atomic Energy Commission, the National Research Council, the American Red Cross, the Tennessee Valley Authority, the Pan American Sanitary Bureau, the Association of American Railroads, the Bethlehem Steel Co. He has been president of the American Waterworks Association and the American Public Health Association. Born in Baltimore in 1892, Dr. Wolman holds the degree of Doctor of Engineering from Johns Hopkins. In 1952 he received the Lasker Award. (Vol. III No. 3)

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